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31 March 1986

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ANGOLA

POLITICAL BUREAU ANNOUNCES MEASURES ON FOREIGN CURRENCY

MB070915 Luanda Domestic Service in Portuguese 110 GMT 6 Mar 86

[Text] The Political Bureau of the MPLA-Labor Party Central Committee yesterday announced a series of measures to be observed in the utilization of the foreign currency at the disposal of the country, and the implementation of the austerity policy in order to deal with the deterioration of Angola's economic and financial situation, resulting from the drastic drop in the price of oil. In a communique issued after an extraordinary meeting, the Political Bureau instructed the government to temporarily suspend the traveling expenses for government officials, cultural and sport delegations, and people studying abroad, except those deemed absolutely indispensable and duly authorized by senior departments.

The Political Bureau also recommended the temporary suspension of money transfers by the public, including family remittances, as well as the reduction of costs involved in maritime and air transportation and diplomatic representations abroad. It also recommended a reduction in foreign currency expenditure through a revision of the reinsurance policy. Expenditure through telephone and telex communications abroad is also suspended.

The Political Bureau of the MPLA-Labor Party Central Committee also recommended that government departments establish priorities in the field of investments with regard to the maintenance and rehabilitation of equipment and infrastructure indispensable for the running of the economy. The same applies to the production of export goods or import substitutions goods, thus preventing additional foreign currency expenditure.

The Political Bureau also recommended a review of the contracts of technical assistance which have either been signed or are being negotiated, with a view to the rapid and significant reduction of the foreign labor force. It recommended the adoption of measures designed to eliminate (?excessive) stays in the country and abroad and the urgent approval of laws on foreign currency incentives.

The Political Bureau also urged that the supply of essential goods to the people be guaranteed, the food distribution network be improved, the green-belt areas in the main cities be strengthened, and rural trading be improved as well as strict compliance with the legislation in the context of the new supply system for 1986.

/12232

CSO: 3400/1251

ETHIOPIA

DECREE ESTABLISHES CONSTITUTIONAL COMMISSION

Paris THE INDIAN OCEAN NEWSLETTER in English 22 Feb 86 p 1

[Text] A decree promulgated on 15 February by the Derg, or more precisely by the Provisional Military Administrative Committee, was the official announcement of the establishment of a commission to draw up the future constitution of the country which will bring into being the People's Democratic Republic of Ethiopia. The decree had been expected for more than five months, ever since 2 September last year when head of state Colonel Mengistu Haile Mariam announced that the commission would be set up in a speech to the Central Committee of the ruling Ethiopian Workers' Party on the second anniversary of the party's foundation. In his speech Col. Mengistu, the chairman of the Derg, said that the new constitution, once it had been debated democratically and approved by the EWP Central Committee, would be "implemented stage by stage, including regional autonomy."

Nothing more was said about this autonomy at the time, and nothing else has been revealed since about the first draft constitution which will serve as a working document for the commission. The draft is a combined effort by the Institute of Nationalities headed by Yaheyra Kitaw, an alternate member of the EWP Central Committee, and the party's nationalities committee chaired by Shoadagne Belete, a civilian and an alternate member of the EWP politbureau. However, Colonel Mengistu said in his September 7 report that "the method of dividing the country into administrative regions will guarantee the working people's stable and speedy economic and social development and the equality of nationalities." He stressed that the choice of criteria was far from being finalised and that their application required a great deal of attention. This seems to indicate that a redivision of regions is planned in accordance with two principal criteria which can be variously combined on the basis of local peculiarities, i.e., economic potential and ethnic unity.

From Col. Mengistu's speech to the party, of which he is secretary-general, it was also learned that the commission would be comprised of members of the EWP and the government, representatives of mass organisations and professional associations, as well as individuals known for their competence and representatives of the various religious groups. As it was defined at the time, the task of the commission was to refine the draft constitution already prepared and submit it for debate at regional, district and local community level.

It seems unlikely that the commission will be able to finish its work in time for the 12th anniversary of the revolution next September 12, i.e., in the space of just seven months, so that the republic can be proclaimed on that day. It is just as unlikely that the joint commission of Somalia and Ethiopia which was announced after the meeting in Djibouti of the respective heads of state (see page 2) will have made sufficient progress for a new carve-up of the Ogaden in the context of a future Ethiopian republic to receive Mogadishu's approval. Moreover, the Addis Ababa authorities, who have still not managed to pacify Tigray and Eritrea, will have difficulty in having new ethnic and religious boundaries accepted in areas where guerrilla movements like the Eritrean People's Liberation Front have been cultivating nationalist sentiments for years.

/8309

CSO: 3400/1244

ETHIOPIA

BRIEFS

TPLF CLAIMS PRISONERS FREED--The Tigre People's Liberation Front said in a communique on 11 February that its forces had released 1,800 "political prisoners" in an attack on 8 February on the jail at Makalle, capital of Ethiopia's Tigre Province. The TPLF said that in a diversionary operation it had earlier attacked the town of Dehub, 70 kilometres south of Makalle with the intention of weakening the defences of the provincial capital. The communique added that 300 of the prisoners freed were mutilated by systematic torture inflicted on them during their detention. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 15 Feb 86 p 5] /8309

EPRP REPORTS FIGHTING--In a communique dated 31 January the Ethiopian People's Revolutionary Party claimed to have repulsed a sizeable offensive by government forces launched on 16 December against EPRP "liberated areas" in the northwest Gondar and Gojjam regions. Fighting was said to have taken place at Arema, Delgi, Birawe, Dawra and Um-Hadid. [I.O.N.--These clashes appear to show some increase in strength by the Marxist-Leninist EPRP, which has been seriously weakened in the wake of the 1976 "red terror" and its dispute with the Tigre People's Liberation Front in 1978.]] [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 15 Feb 86 p 5] /8309

SOVIETS TO DRILL FOR OIL--The Soviet Union signed an agreement to drill for oil in Ethiopia on 9 February at the end of a visit to Ethiopia by the Soviet minister for geology, Evgeni Kozlovski. For several years the Soviets have been prospecting in the Ogaden, where the United States oil company Tenneco had obtained a licence to drill in the 1970's. Another U.S. company, Chevron, which is operating in Sudan and Angola, also undertook several seismic surveys in 1983 to the west of Gambela, in southwest Ethiopia, but no drilling appears to have followed. Generally speaking, Western oil companies are not trying to prospect in Ethiopia because they cannot obtain sufficient guarantees from the Addis Ababa authorities. This largely explains the postponement of a meeting called for last November in which prospecting licences would have been offered for the Red Sea, the Ogaden and western Ethiopia. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 15 Feb 86 p 7] /8309

JAPAN CANCELS DEBT--Japan has decided to write off the 3.1 million birr (1.5 million dollars) owed by Ethiopia for the current year by transforming the loan into a gift. An agreement signed in Addis Ababa on 18 February stipulated that the money should be used to buy construction materials for socioeconomic projects. It is the seventh time Tokyo has acted in this manner with regard to Ethiopia's debts. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 22 Feb 86 p 6] /8309

LOAN FROM CZECHOSLOVAKIA--Czechoslovakia is to grant Ethiopia a long-term loan of 50 million dollars which is intended to expand amenities already completed with aid from Prague or about to be, the Czechoslovak foreign trade ministry head Joseph Koche said in Addis Ababa this week. Under a cooperation agreement signed last March 28 at the end of a meeting of the two countries' joint commission the Prague government pledged to provide the bulk of the equipment necessary to run the Soviet-built Melka Wakene hydro-electric scheme, as well as carry out improvements to the tyre plant already constructed by Czechoslovakia, two flour mills and a synthetic textile factory. In another sector, Prague has also partially financed an armaments factory inaugurated in September 1984. [Paris THE INDIAN OCEAN NEWSLETTER in English 18 Jan 86 p 6] /8309

CSO: 3400/1239

GHANA

CEDI DEVALUATION, STRATEGY FOR DEVELOPMENT

London TALKING DRUMS in English 17 Feb 86 pp 17-18

[Text]

An overvalued cedi certainly made imports cheaper. By artificially maintaining a rate of exchange, our government subsidised imports and contributed more to the desires of the urban elite and their dependants for imported items and failed to reward the toils of those who produced the bulk of the goods which earned us foreign exchange.

But the principal objection to devaluation was that it placed intolerable burdens on the average Ghanaian. Undoubtedly the series of devaluations have made deep dents into the pockets of the Ghanaian. Given the cost of living in Ghana now, a minimum wage of 90 cedis a day cannot even feed a dog.

If, on the other hand, the political leadership were to sell the need for austerity and to make imaginative proposals to assure the average Ghanaian of his basics without taking away from the objectives of the current programme, the government might be able to carry on without much pressure. But there is bound to be a problem if the people see that some do not feel the effects of the devaluation.

We have already indicated that there is a case to be made for devaluation in Ghana. But it does seem as if these exchange rate adjustments were not accompanied by the kind of reforms and measures which would have had a lasting beneficial impact on our economy. They were also coordinated with other aspects of the recovery plan to reverse the crisis in the economy and lay firm foundations for renewal. If they had been vigorously pursued between 1983 and now, the

results would have been apparent. As it was the potential for success was allowed to fritter away.

The problem was that each announcement of devaluation was followed by sharp price and cost rises to the extent that they wiped out any advantages the devaluation would have brought the economy. In a sellers' market, there was no way the pressures generated by a devaluation would have worked through to have a positive impact on internal performance. The recent announcement of a 90 cedi to the dollar devaluation would certainly make prices look ridiculous and generate demands from the working population for salary adjustments to cope with the cost of living, consequently adding to inflation in Ghana.

The government's inability to use economic measures to change Ghana's public and private consumption habits also meant that price rises did not really affect the public and private appetite for things which required outlays of the rather scarce foreign currency. Pressure was therefore mounted on foreign exchange resource availabilities. Since the government's own accumulation of this was limited, many Ghanaians resorted to the black market. Demand for foreign currency on this market was so high that it pulled up the unofficial rate of exchange, so that when the cedi was officially devalued, this rate of exchange looked unrealistic in comparison and was subjected to pressures of its own from the black market.

The problem was that each announcement of devaluation was followed by sharp price and cost rises.

This may help explain the regular adjustments of the cedi but it was not the only reason. In the situation described above, the most realistic options would have been for the banks to intervene on the black market to influence its rates and so help protect the official rate and/or to liberalise the foreign exchange market in Ghana. The banks have always been unwilling to do these. By 1985, unofficial holdings of convertible currency threatened to dwarf the Banks' own. If there was the opportunity to adopt these options, the time was now.

Devaluations cannot have the impact desired if they are not accompanied by a vigorous expansion of exports. In Ghana's case, it is lamentable that the years 1983-86 have seen a gradual contraction of our export values. In the case of our traditional items, production and marketing problems accounted for the slump. No new products were identified and marketed to widen and strengthen the export base of the economy. Bureaucratic restrictions have always frustrated the efforts of those who want to sell abroad. It is still easier to import than to export a basket of tropical fruits.

The contraction of exports means less foreign exchange. Given the non-convertibility of the cedi, sound money also means expansion of our convertible reserve holdings which only an active export profile would create for Ghana. Thus the more foreign currency we hold, the greater the impetus towards the creation of a sound cedi. For a developing country like Ghana, foreign reserves are needed to finance current account deficits of our balance of payments.

It is simple for countries with convertible currency, who can tackle this problem by borrowing on capital markets or raising interest rates to attract foreign currency. If as in our case, our balance of payments are in a disequilibrium, the only recourse is to go to the IMF for help. Its help is conditional, among other

things, adjusting the rate of exchange to reflect our payments position. The IMF's support enables us to borrow from other sources. If we are not able to implement the Fund's conditionalities with vigour and the problems of disequilibrium remain, then we will have to devalue if we are to continue to enjoy foreign support.

Thus Ghana's devaluations could have been predicted by anybody with a rudimentary knowledge of trends in the Ghanaian economy. That it was so massive should surely indicate that all the indices determining the value of the cedi were negative. Until the PNDC is able to promote policies which will reduce inflation, generate real growth and boost exports, there will be more devaluations in the future. On the available evidence, there will have to be further adjustments of the cedi to bring the rate to about 120:1 before 1986 is out.

Of course the effect of the devaluations on import-oriented firms have been disastrous. By being forced to pay more cedis for their import requirements, they are almost in a situation where they cannot raise funds to finance their requirements. For example if in 1985, a firm needed C30 million to finance a \$½ million import licence, it would now require C45 million. This would curtail his imports. Well and good if these are non-essentials.

If they are essential, the firm would have to raise prices for it to make an adequate return on his investment. It is to be expected that in this situation imports will fall. Because imports have fallen taxes and duties raised from this will be low. Add taxes on incomes which are low and duties on exports which are in decline, then you have a situation where government revenues are bound to be lower than targeted. Herein lies a reason for the low amount of receivables which have dogged government revenues for the duration of the recovery plan.

Over a 12 month period in 1985, the Retail Prices Index, as measured by a basket of necessities with 1980 as the base year, showed that rather than slow down in response to government measures, this had risen steeply. Even after adjusting for

the devaluations, the underlying trend still remained high. This is what Kwesi Botchwey should be looking at in his claims that inflation had fallen. If he dared to, he would be shocked and would be forced to keep quiet.

The cumulative effects of high prices, rising public expenditure, low productivity and scarce foreign exchange have been to raise the level of inflation in Ghana. To the extent that if we do not take care, we will soon require a barrel of cedis to buy a loaf of bread. That inflation is rising faster than expected is confirmed by the recent devaluation. The fact of the matter is that the government has no effective counter-inflation strategy.

A consequence of rising prices is that even export-oriented firms cannot meet their local costs from the considerable amount of local counterpart funds they will have exchanged for their foreign earnings. Rising costs have eaten deeply into the funds they have generated. Kwesi Botchwey please note.

MISAPPLICATION OF FOREIGN CREDITS

A charge often made against the PNDC is that they have misused the foreign financial and economic assistance that have flowed into Ghana. Instead of judiciously using these to lay the foundations for growth in the key economic sectors, eg. export sector, there are indications that they have been misapplied. A considerable amount of these credits have been used to improve the security of the regime. Import licence backed by these funds have been utilised to purchase consumer goods. In many cases they have been sold in London to people who are not interested in the economic prospects of Ghana. There were indications that as soon as the PNDC started to receive foreign assistance, it forgot it had to use this for the Economic Recovery Programme.

CONCLUSIONS

The lack of discipline in the management of the recovery programme has ensured that the targets and objectives set in the plan are no longer valid. This is what should worry the multi-lateral agencies

co-managing the programme on behalf of not only themselves but also the Paris Club. Unless there is a comprehensive review of current policies and practices, the considerable prospects for failure noted elsewhere in this article will be irreversible.

It will be interesting to see what sort of budget follows the recent devaluation. The budget statement should show the direction the economy is taking. It should also indicate whether figures are still being massaged to convey a false picture of good prospects now that there is pressure on the PNDC to show results. There is nothing, however, to shake me from the belief that Dr Kwesi Botchwey and his gurus are presiding over an unmitigated disaster.

The sad part of the current situation in Ghana is that the PNDC has had more opportunities than any previous government to carry through with fundamental reforms and to implement a programme. It has had the most goodwill and sustained support from the IMF, World Bank, and Western Donor countries. And yet it had not used these strategic factors to decisive effect or advantage.

INGREDIENTS OF A SUCCESSFUL POLICY

It is not the intention of this review to tell the PNDC nor, for that matter, any government in Ghana, what it should do. But it is evident that for the successful management of any economy, there is the need to:

- Persuade the political leadership to take more than a passing interest in economics and be quite clear on the strategic objectives of their economic policy.
- Coordinate the macro and micro aspects of economic policy in such a way as to achieve positive results.
- Recognise that controlling inflation is at the centrepiece of any strategy of success; and that there is no alternative to the hard way — which can only result in faster productivity growth inflation.
- Improve discipline in following through with policy from formulation to implementation.
- Sharpen decision taking skills and overall management expertise at key and critical sectors of the economy.

ANOTHER TURNAROUND

The frightening but real possibility in Ghana now is that, faced with the problems of its own making, the PNDC will take the easier but inevitably costly route of reflation the economy to deflect public discontent and put more but worthless money in everyone's pocket to give Ghanaians a sense of well-being not founded on reality. Were this to happen, Ghana's inflation will become as hyper-active as Bolivia's, the IMF will suspend its assistance and the seeds of an economic nightmare will have been sown.

/12828
CSO: 3400/1270

KENYA

NEW AIR FORCE CHIEF OF STAFF RUMORED

Paris THE INDIAN OCEAN NEWSLETTER in English 18 Jan 86 p 3

[Text] Knowledgeable circles in Nairobi are tipping a Kenyan Somali, Lieutenant-General Mahamud Mohammed, who played a key role in crushing the attempted Air Force coup on 1 August 1982, to succeed Armed Forces Chief of Staff General Jackson Mulinge when he retires.

General Mulinge told THE DAILY NATION in a rare interview last 2 June, "I will retire when my time comes, which is not very long," although he added that President Daniel arap Moi could decide to keep him on. The fact that he chose to breach the top brass tradition of avoiding the press indicated that the two-page interview was his swan song. Nowhere was his age mentioned, but from various clues given it can be put at around 61. If correct he still has four years to go under the law, which was specially amended in 1982 to enable General Mulinge to go beyond the then statutory retirement age of 55.

I.O.N.--General Mohammed is the first Kenyan Somali to rise to the rank of general. Of Ogaden origin, he reached colonel under the previous administration of Jomo Kenyatta, and by 1982 was deputy commander of the army with the rank of Brigadier-General. After his prominent role in defeating the 1 August coup attempt he was promoted to Lieutenant-General and assigned to be commander of a new air force. Although outranked by the Army commander, General Sawe, the rumours predicting his elevation to head the defence staff may indicate that President Moi would prefer to keep Gen. Sawe, a fellow Kalenjin, in charge of the army and let somebody else he can trust be chief of staff. General Mohammed's brother, Hussein Maalim, is a minister of state in the president's office.

A cloud hangs over Gen. Mohammed because of his health, however. A few months ago, on his way home from a trip abroad, he had a heart attack in Paris and had to spend time in a French hospital.

/8309

CSO: 3400/1239

KENYA

BRIEFS

MOMBASA LEADING PORT--Mombasa will still be the leading port in the Indian Ocean, even if the director of the Kenya Port Authority complained recently that its facilities were being under-utilised. With a current capacity of ten million tonnes per year, Mombasa handled an estimated total of almost 6.5 million in 1984, compared with eight million in 1981, but saw its container traffic rise by 10 per cent over 1983, from 84,000 twenty-foot equivalent units to 92,000. Forecasts estimate that the port could be handling 18 million tonnes a year by the end of the century. Goods in transit to Uganda, Rwanda, Burundi, eastern Zaire and southern Sudan have increased greatly in quantity in recent years, going from 398,000 tonnes in 1979 to 496,000 in 1983, but were affected by the intensifying of the Ugandan civil war up until last month. The fall in the number of ships calling in 1984 compared with 1983 while the volume of goods handled remained the same shows that Mombasa is attracting larger and larger vessels. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 22 Feb 86 p 9] /8309

BULGARIAN SCIENTIFIC, CULTURAL AGREEMENT--Nairobi, 3 March--Kenya and Bulgaria today signed a 5-year renewable cultural and scientific agreement which aims at expanding relations between the two states. The agreement paves the way for cooperation in the field of scholarships through exchange of scholars and scientists from the two sides. This will also include exchange of publications in that sphere. Another area in the agreement will be the exchange of athletes and artists. Signing for Bulgaria was the Bulgarian deputy minister for foreign affairs, Mr Lyudomir Popov, while Kenya was represented by an assistant minister for foreign affairs Mr Philip Leakey. The Bulgarian minister described the signing as a new step in the development of bilateral relations between Kenya and Bulgaria. Mr Leakey said the agreement was a step in the right direction. [Text] [Nairobi KNA in English 1710 GMT 3 Mar 86 EA] /12232

CULTURAL AGREEMENT WITH INDIA--Nairobi, 6 March (KNA)--The visiting Indian minister of state for external affairs, Mr K.R. Narayanan and the Kenya minister for education, science and technology, Professor Jonathan Ngeno today signed a 3-year cultural programme agreement. Under the agreement, the two countries will exchange personnel in educational fields, teaching materials, artists, paintings, anthropology, cultural troupes and other cultural aspects. [Excerpt] [Nairobi KNA in English 1625 GMT 6 Mar 86 EA] /12232

CSO: 3400/1243

MOZAMBIQUE

BRIEFS

CCCE AID--A mission from the Caisse Centrale de Cooperation Economique, the main dispensing body for French overseas aid, arrived this week in Mozambique for a two-week stay. Its members will be studying on the spot how French assistance can best be given. A new special loan for economic revival is likely, following last year's total aid from the CCCE of 154.2 million francs, of which 100 million was a special economic recovery loan. This compares with a total of 234 million francs in 1984 and 140 million in 1983. [Excerpt] [Paris THE INDIAN OCEAN NEWSLETTER in English 1 Mar 86 p 6] /8309

EEC GIVES \$135 MILLION--The European Economic Community is to release 145 million ECUs (135 million dollars) for the benefit of Mozambique in the next five years under the third agreement of the Lome convention which Maputo signed at the end of 1984. Of this sum 130 million ECUs will be provided in the form of grants and 15 million as high risk capital issued by the European Investment Bank. The EEC desk officer for Mozambique, Mr Logli, who accompanied the community's delegation to Maputo between 3 and 8 February, told THE INDIAN OCEAN NEWSLETTER that slightly less than 70 percent of the 130 million ECU grant would go to the "family" farms, smallholdings and cooperatives. The areas and the crops which will benefit had not yet been decided because of internal security problems, he said. The 30 percent of the funds remaining will be used to boost exports, but will primarily benefit the education sector, notably the Eduardo Mondlane university, and transport. In this last sector money will go in particular on modernising the port of Beira and the Nacala railway. Supplementary aid of 20 million ECUs will be provided for these two projects as assistance to the Southern Africa Development Coordination Conference. The European Investment Bank capital will mainly go on aiding commercial fishing and agro-industry. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 22 Feb 86 p 7] /8309

MOSCOW AID PROMISE--The Soviet Union will continue to provide Mozambique with "the support necessary in the military, commercial and economic fields to guarantee its independence and sovereignty," Moscow's ambassador to Maputo Yuri Sepeliov said on 15 February on the occasion of the tenth anniversary of the signing of the first trade and cooperation agreement between the two countries. He stressed that the Soviet Union had since become the leading trade partner of Mozambique, noting that 650 Soviet aid workers were employed in the country in various sectors, including geology, mining and health. Important achievements, notably the joint fishing enterprise Mosopesca, and projects like the floating dock for ship repairs in the port of Maputo

or the development of the Limpopo river valley were proof of the vitality of their cooperation, he added. Under the heading of military aid the ambassador mentioned the importance of the Soviet contribution in the training of air force pilots. [I.O.N.--In the economic aid category mention might also be made of the barter agreement worth more than ten million dollars concluded last year which is to run until 1990, and the signature in 1984 of an accord on the supply of Soviet consumer goods worth 13 million dollars as an incentive for the revival of agricultural production. In spite of all this Mozambican officials in private do not conceal their discontent at the level of Soviet aid, not only in the economic field but also military. Maputo's armed forces are increasingly obliged to seek aid from neighbouring states to resist the pressure being applied by the guerrillas of the Mozambique National Resistance.] [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 22 Feb 86 p 2] /8309

CSO: 3400/1237

NIGERIA

RADIO URGES ENFORCEMENT OF EXPATRIATE REGULATIONS

AB241006 Lagos Domestic Service in English 1800 GMT 23 Feb 86

[Oliver Ibekwe commentary]

[Text] All over the world, it is common practice to monitor and control the use of expatriates. The reason for this is obvious. Foreigners are concerned more with remitting income abroad than ensuring national aspirations. Their interests are more unlikely to coincide with the long-term interests of indigenous shareholders, employees, and the local community. Moreover, the destructive roles of some foreigners who have ruined national economies have made national planners very cautious in making provisions for the use of expatriates. Most importantly, each country has the duty to protect the interests of her citizens with regard to employment opportunities.

It is definitely inexplicable that thousands of foreigners are still in teaching and administrative positions when thousands of Nigerians qualified in these areas still go without jobs. The indigenization policy of Nigeria was conceived and promulgated by the Nigerian Enterprises Promotion Decree of 23 February 1972. Regrettably, the implementation of the indigenization policy has left much to be desired, particularly with regard to the use of Nigerians in the task of management. During the Second Republic, it was fashionable for politicians to shop for management consultants [words indistinct] were not in consonance with Nigeria's economic realities. The foreign consultants, apart from [words indistinct] knew little or nothing about local situations and were often less qualified than their Nigerian counterparts. Consequently, the country lavished scarce foreign exchange on empty solutions that all too soon resulted in crisis.

With the emergence of the federal military government in January 1984 and the subsequent policy pronouncements against the use of foreign consultants and abuse of the expatriate quota, there was the general feeling that the situation in which expatriates were engaged at random was soon to change. To the disappointment of many observers, expatriates have continued to handle jobs for which there are qualified jobless Nigerians. Certainly, it is time the Ministry of Internal Affairs started monitoring more vigorously the use of expatriates in the country and companies that defy Nigeria's expatriate quota regulations must be made to face the music. Government should intensify (?spot) inspection of factories and commercial houses to ensure that companies are not in violation of laws that relate to the use of expatriates.

Furthermore, as directed by President Ibrahim Babangida during his 1986 budget speech, companies must ensure forthwith that for every expatriate employed on an expatriate quota below the board or management committee level of a company, there must be two Nigerians identified within the existing organization or employed if they do not exist to understudy the expatriate. The Nigerianization of posts held by expatriates must form part of the short-and long-term manpower program of companies which, once approved by the government, must be strictly adhered to as directed by the president. No nation can achieve its economic goals and objectives if its economic laws are flouted and flagrantly violated as is the case with Nigeria's expatriate regulations. It is a known fact that the rich nations of the world spare no effort in enforcing laws relating to the employment of foreigners. Therefore, while the useful contributions of expatriates in Nigeria are appreciated, the massive unemployment of both graduates and non-graduates in the country calls for strict enforcement of the country's expatriate regulations.

/12232

CSO: 3400/1242

NIGERIA

BRIEFS

DEPORTATION OF ILLEGAL ALIENS--Nigeria deported 3,437 illegal immigrants last month, The Guardian newspaper has quoted an official of the immigration department. According to the report, Libyans topped the list with 1,998 followed by Ghana 695, Togo 216, Niger 212, and Benin Republic 182. Countries which had between 30 and 40 deportees are Burkina Faso, Guinea and Ivory Coast, while Senegal, Cameroon, Ethiopia, m Gabon, Gambia, Kenya, Liberia, Mali, Morocco, Sierra Leone, Chad, Uganda and Zaire each had fewer than 10. Philippines, Britain, Israel, Lebanon, Palestine and Turkey had one illegal immigrant each, the report said. The official said that the illegal immigrants entered the country with visitor's visas but decided to stay when they found conditions favourable. [Text] [London TALKING DRUMS in English 17 Feb 86 p 24]/12828

ILLEGAL ALIENS--Governor Abdul Mumuni Aminu of Borno State has called on the Federal Government to come to the aid of the state in controlling the influx of illegal aliens. He said the assistance was needed now more than ever before considering the conflict in Chad which was forcing citizens of that country to seek refuge in the state. Governor Aminu made the plea at the weekend when the minister of internal affairs, Lieutenant Colonel John Shagaya, paid him a courtesy call in the course of his familiarization tour of the state. The minister assured the governor that everything was being done to make the country's borders secure, adding that the directive had been given to the Immigration Department on the issue of (?repatriating) illegal aliens. [Text] [Lagos Domestic Service in English 1200 GMT 10 Mar 86 AB] /12232

CSO: 3400/1242

SOMALIA

PRESIDENT SIAD BARRE'S RECENT FOREIGN TOURS ASSESSED

Paris THE INDIAN OCEAN NEWSLETTER in English 15 Feb 86 p 1

[Text] Somalia's President Mohamed Siad Barre is anxious to take advantage of the favourable welcome from the press and Western leaders to his talks in Djibouti last month with the Ethiopian head of state Mengistu Haile Mariam by undertaking foreign tours with the intention of persuading his hosts to increase their financial and economic assistance to his country.

In Rome, where he arrived on 9 February for a two-day working visit, President Siad Barre had a meeting with his opposite number Francesco Cossiga, and discussed with Prime Minister Bettino Craxi, whom he last met in Mogadishu last September, the question of Somalia's debts to Italy. These have reached \$153 million, and the Mogadishu government appears more incapable than ever of paying them off. Somalia's total overseas debt amounted to \$1.4 billion at the end of 1984 (see ION No 208).

However the day the Somali president arrived in Italy the Milan daily IL GIORNALE carried an article signed by Francesco Forte, the Italian junior minister responsible for overseas aid, recommending a ten-year moratorium on the repayment of Mogadishu's debt to Rome. He put the annual cost of such a move to the Italian treasury at 25 billion lire. In the past year Mr Forte has been to Somalia several times and played a vital role in arranging the Djibouti summit, and his proposal to freeze Mogadishu's debts could not have been made lightly, even if Rome's official decision on this issue is not yet known. Mr Forte stressed that the burden of debt servicing was hampering Somalia's development efforts and thus the opportunities for Italian industrialists in that country. He also noted that five-sixths of what Somalia owed Italy had been borrowed from the private sector, and that Italian investors were already confronted with the serious obstacle of being taxed in both countries, whereas those operating in the United States, for example, are exempt from Italian tax.

The Italian press gave a hostile reception to Mr Forte's suggestion that the repayment of Mogadishu's debt be suspended. Commentators said such a decision would only benefit other creditors who would thus be repaid more easily. They also said that any decision on the indebtedness of developing countries could only be a collective one by the developed nations.

However, according to some reports, the Italian foreign minister and the treasury are examining the prospect of putting a moratorium on the repayment of some 6,000 billion lire by several of Italy's poorest debtors. In Africa Somalia, Ethiopia, Mozambique and Tanzania would be the principal beneficiaries of this gesture.

In France, where he came to participate in an international conference on the threat to the world's forests, President Siad Barre was unable to obtain a meeting with President Francois Mitterrand in spite of a request. However, in talks with foreign affairs minister Roland Dumas and overseas development minister Christian Nucci, as well as senior treasury officials, he was able to secure an agreement to reschedule debt repayments due in 1986 on the same basis as last year. A future meeting of creditors in the Club of Paris was also agreed in principle.

/8309

CSO: 3400/1233

SOMALIA

BRIEFS

REFUGEES FROM ETHIOPIA--The mass influx of Ethiopian refugees into Somalia fleeing from Addis Ababa's "villagisation" programme in the Oromo regions of Harrargue and Arssi (and which is due to be extended to the rest of the country) risks envenoming relations between the two countries again. According to Gary Troeller, an official of the United Nations High Commission for Refugees in Somalia, 27,000 refugees have crossed the border since December. In the first ten days of February between 500 and 1,200 new arrivals were counted in every day, while a serious outbreak of cholera was reported in the refugee camps which now contain an estimated 837,000 people. [Text]
[Paris THE INDIAN OCEAN NEWSLETTER in English 1 Mar 86 p 2] /8309

CSO:3400/1237

TANZANIA

BRIEFS

OFFICIALS SACKED--Thirteen branch secretaries of Tanzania's ruling Chama Cha Mapinduzi Party have been dismissed from their posts after accusations of corruption and embezzlement of funds. The decision, taken on 26 January by the regional CCM executive committee for Kilimanjaro region, marked the first time that such severe measures had been taken at regional level since the party national executive committee gave local branches permission to take action to clean up the CCM. Meanwhile CCM chairman Julius Nyerere has called on the government to speed up the transfer of the Tanzanian capital to Dodoma, without waiting for all the buildings planned or under construction there to be finished. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 1 Mar 86 p 3] /8309

CSO: 3400/1237

UGANDA

RECENT REGIMES SAID WORSE THAN AMIN'S

Johannesburg SUNDAY TIMES in English 16 Feb 86 p 4

[Article by Gloria Stewart]

[Text]

FOR the moment at least, terror no longer stalks the streets of the capital, Kampala.

Villagers go out of their homes after dark, taxi drivers no longer stop work at 7pm, and nobody has to pay to pass military roadblocks.

Until last month, torture, death without trial, institutionalised theft, rape, and the abduction of schoolgirls were the norm.

The principal targets were the educated, but countless thousands vanished without trace, their bodies just thrown into the bush or dumped silently into Lake Victoria. It was a fine time for vultures.

Last week, just before I left Kampala, I visited its most notorious detention an executive centre, Nile Mansions.

During the reigns of Milton Obote and Tito Okello and their henchmen, the tyrants lived at various times in this 500-room former hotel.

Near their luxurious suites were the torture chambers and death cells where their victims suffered unimaginable agonies.

As Okello sat drinking with his friends, or even entertaining foreign diplomats, only a few steps away in Room 326 desperate people were meeting their deaths.

My first witness is Elly Kigozi, 23, a former prisoner who showed me round.

He told me: "How I survived six months here I shall never know.

"I was accused of being a bandit. On arrival here I was

WHEN IDI AMIN, buffoon and mass murderer, was deposed in 1979, the world breathed a sigh of relief.

This week GLORIA STEWART, a London journalist, returned to Uganda after yet another coup to discover the appalling truth — that compared with the regimes of Milton Obote and his successor, Tito Okello, Amin looked benign indeed.

The best estimate she can find of the number who met their deaths after Amin fled is half a million in six years of terror.

stripped to my underpants and made to crouch outside on a balcony with 70 others.

"If I stood up I knew I would be shot. That happened to another man near me. Inside room 326 were another 90 men, women and children — all stripped to their underpants.

Blood

"No one had space to breathe. The officer came and beat someone over the head with a wooden mallet. He lost much blood and died within a few days.

"Often there was no food for days on end — people

were dying of starvation and dysentery and their bodies were often left in the room with the prisoners.

"Okello did not care whether he killed women and children. Idi Amin, at least, did not do that."

He told of a captain whose favourite torture was setting fire to a plastic jerrican and letting molten plastic drip on victims — including Kigozi.

He also saw many doctors, teachers, judges and administrators arrive at Nile Mansions.

"They were taken out of the room and brought back broken, beaten to a pulp.

Some of them jumped off the balcony, preferring suicide."

He added: "Sometimes they beat a child to death in front of the parents if they thought they could get information."

Harrowing

Inspector of schools Noel Mukubwa-Kamugasha is a 38-year-old man whose face is lined and drawn from his harrowing experiences.

He told me how he was taking his children to school in March 1985 when five men with pistols attacked him in the centre of Kampala.

His eyes looked haunted as he said: "I was taken to a barracks. There was no water, and people were constantly getting sick and dying."

"We buried about 80 people just outside the barracks. Once we were even made to bury someone who was still alive. The graves were very shallow. Dogs often dug the bodies up."

He said many prisoners had an ankle bone broken to stop them running away.

"They tied blocks of cement to some men's private parts and beat them as they crawled along the ground. About 80 men lost their manhood entirely."

"The women were tied up in front of the men and mutilated sexually, too."

Robert Marara Mutarindwa, 21, lived in an area near Kampala where many bodies were dumped for the vultures.

Skeletons

He was arrested last September with seven other young men by 200 soldiers who marched them seven kilometres to a camp.

"They put us in a storeroom and every soldier beat us with sticks."

"We were beaten on the head with gun butts, thrown into stagnant water and given 25 strokes of the cane. One boy had a car tyre set on fire round his neck."

"A few hundred metres from the cells there was a mass grave. Other prisoners said many hundreds were buried there."

"The graves were very shallow so the skeletons stuck out of the ground."

Robert later learned that the Lubiri soldiers had murdered all the remaining prisoners when the guerrillas were approaching the barracks.

Mbale, four hours' drive from Kampala, was the scene of fierce fighting between soldiers and guerrillas.

Slaughtered

The soldiers set up artillery behind the hospital, and patients were slaughtered in their beds if they were unable to run away.

In a little tin hut we found the remains of a tiny baby which had been half eaten by vultures. The mother lay nearby, also dead.

UGANDA

PREDICTIONS PROVIDED FOR NEW POLITICAL REGIME

London AFRICA CONFIDENTIAL in English 26 Feb 86 pp 2-4

[Article: "Uganda: The Final Thrust"]

[Text]

The new government under **Yoweri Museveni** is establishing its structure and policies. As previously noted (AC Vol 27 No 3), the national resistance councils (NRCs) will provide the political backbones, though it is too early to judge exactly how the cabinet and the NRCs will work together. Museveni, in keeping with his austere, disciplinarian style, has decreed a rigorous new code of conduct¹ for the army. And various pragmatic foreign relations² decisions have been made. But the main focus of attention remains on the north, particularly the town of Gulu, where Acholi leader Lt-Gen. **Basilio Okello** is resisting with large amounts of weapons.

The *National Resistance Army* (NRA) battle plan is a north-south pincer movement on Gulu. A large infantry force is now moving north to Kitgum, 100 miles to the north of Lira town. Kitgum is the only substantial town in the north-central region of Uganda. The NRA, once established there, can make sure the entire northern region on the east bank of the Nile is free of significant armed resistance. It will then be able to move the bulk of its infantry force southwards towards Gulu. Thus **Basilio Okello's** lines of supply and retreat would be cut off, and Gulu would be under a state of seige. NRA artillery, including the 125mm **North Korean** howitzers, which by then would be dug in to the south of the town, would then probably force Okello into an infantry engagement.

To avoid such a state of seige, Okello has presum-

ably looked at other military options. However, if he is to use his considerable fire-power effectively, Gulu is undoubtedly the only place to dig in. Conceivably he could dispatch a guerrilla unit to harass NRA troops to the north, and ultimately, if he cannot hold Gulu, he might try to take the remainder of his men into the bush for a protracted low-level campaign.

A vital step in the NRA strategy was achieved without much difficulty on 21 February when it took the strategic Karuma Falls bridge 50 miles to the south of Gulu. This force will presumably have to wait until the Kitgum-bound force is in position to the north of Gulu. That could take at least three weeks. Meanwhile the Karuma Falls force appears to have been joined by part of an NRA contingent which earlier crossed the Nile at Paraa, 50 miles to the west. The remainder of the Paraa contingent has retreated (tactically, probably) to a point six miles south of the river on the Masindi road.

Having taken the town of Soroti on 12 February, the NRA advanced cautiously through northern Teso region, reaching Alooi (25 miles to the east of Lira)

yesterday. The slowness of the advance can be attributed to the unfamiliar territory, the exertions of over a month of almost constant operations, and the need to keep a sharp eye out for dispersed groups of Acholi soldiers making their way north via Lango and Karamoja regions.

In Gulu the atmosphere is reportedly tense but defiant. At a public meeting in the town on 14 February Basilio Okello announced that his troops would hunt down southerners in the area if the NRA approaches too close. Former head of state Gen. **Tito Okello**, who has had meetings in Juba (southern Sudan) with NRA emissaries, has been branded by Basilio practically as a traitor. His house near Gulu has been ransacked and hit with RPGs, and his farm appears to have been converted into a military training ground for Basilio's Acholi warriors.

The only communication between Gulu and the NRA is probably via the "northern consultative group" of elders, churchmen and politicians. The group has had a number of meetings with Museveni. Its emissaries have been dispatched to both Gulu

and Arua, the capital of West Nile region where former defence minister Col. **Wilson Toko** has fled. The NRA's message to Acholis in general is that they should surrender peacefully and that their safety will be guaranteed by the NRA. While some will doubtless accept this in good faith, others, encouraged by Basilio, are very sceptical.

In the long-run, if the NRA can hold Gulu under seige, Basilio is certainly doomed. But if NRA commanders, feeling that another prolonged campaign will sap NRA morale, decide to go for a quick strike as soon as their troops are ready on the northern side, the outcome will be far less certain. In addition to the **Belgian** arms bought by the Okello regime (AC Vol 27 No 3), military supplies were flown from the south to Gulu almost daily for six months; up to 400 tons of equipment were reportedly transported there by road after the December "agreement" in Nairobi; and six helicopters¹ from the Entebbe air base, commanded then by the infamous Lt-Col. **Obonyo** from Katabi barracks, flew there shortly before the NRA took Kampala last month.

However, some of the equipment and ammunition has already proved unreliable. **Israeli**-provided helicopter rocket pods, heavy machine-guns and ammunition left over from the 1973 Arab-Israeli war are apparently in some cases seriously defective, as are **Soviet**-made munitions bought by Col. Toko from **Egypt** last year. In its enthusiasm to arm itself, the Okello regime even appears to have been landed with some 20-year-old **American** small-arms ammunition.

The helicopters, the subject of some controversy because of **British** involvement (see box) in combat training, were also used during the Okello regime for all sorts of more nefarious schemes. Of particular note was the use of helicopters by the "Labword-wong" group of Acholi, organised by Basilio Okello and Lt-Col. Obonyo, in systematic cattle-raiding in Lango and northern Teso. Mainly Acholi and Karamojong soldiers were trained for this purpose at Mbale, Soroti and Lira barracks by respectively Lt-Col. **Kilama**, Maj. **Odora** and Maj. **Ojuku**. Karamojong herdsmen, accustomed to both cattle and armed raids, rounded up the cattle, supported by the helicopters and covering fire from the Acholi "cattle" forces. Acholi women and children followed in their wake, looting whatever they could. Thus large parts of Amuria, Arapai, Usuk and Kabermaido counties in north and west Teso, and neighbouring areas of Lango region, were devastated.

Apart from punishing the inhabitants of Lango and Teso for supporting former president **Milton Obote**, the cattle-raiding produced cash for arms deals (some of the cattle were sold in southern **Sudan**) and for paying off West Nilers (**Idi Amin's** former troops and the *Uganda National Rescue Front*) who joined forces with the Okellos in their attempt to stave off the NRA offensive. Unfortunately for the local people, indiscriminate cattle-raiding continues. At least 50 people were killed last week.

The most notable development on the political front in the past week was Museveni's declaration in the government gazette that the NRA will hold power for no more than four years. With many civilians, especially Baganda, demanding to know when multi-party politics will be re-introduced, the announcement was timely. The relationship between the Buganda-based *Democratic Party* and the ruling *National Resistance Movement* is inevitably somewhat touchy. The imminent return of the heirs-apparent to the four ancient kingdoms of Buganda, Ankole, Toro and Kabaka, is another emotional prospect. Prince **Ronnie Mutebi**, the Kabaka-elect, is to have a titular role within the NRM system if he wants it. The Baganda, whose numerical superiority and past preeminence dies hard, risk forgetting the NRA's achievements. They could easily become disenchanted with their new Ankole masters from the West.

In due course Museveni will undoubtedly try to bring into political office as many representatives as he can to represent former adversaries. But in the short-term the government is bound to remain heavily weighted in favour of the south. The only Nilotic cabinet appointee, minister of lands and surveys **James Obol Ochola**, is the one minister not to have been sworn in, though he remains secretary of the northern consultative group.

Footnotes

1. The code forbids illicit sex, drinking, stealing of property and the killing of prisoners.
2. Despite a number of previous British diplomatic ineptitudes, the British minister of state at the foreign office, **Lynda Chalker**, was recently well-received in Kampala. She offered £5m of immediate aid, an economic development team and a strengthened British military training team. Diplomatically, Museveni accepted all three. A slight surprise last week was his apparent wish to bring North Koreans back to Uganda to instruct in the use and maintenance of various weapons, especially artillery. The expected siege of Gulu will certainly need the latter.
3. The four-man NRA delegation, led by West Nile and former defence minister **Felix Onama**, held talks with the Sudanese military council in Khartoum after talking with Tito Okello in Juba.
4. Two civilian models - an *Augusta Bell-412* and an *Augusta Bell-206*, and four military models - two 412s and two 206s. One of the military 412s is being used by the NRA after its capture at Nakasongola.

UGANDA

MUSEVENI SAID PLANNING OWN CURRENCY IN NRA AREA

Kampala THE EQUATOR in English 12 Dec 85 pp 1,4

[Text] As we went to press, no official word had come from Harambee House in Nairobi or from the Ruling Military Council in Kampala that the eagerly awaited signing of the Peace agreement between Kampala and Yoweri Museveni's NRM would be effected this week.

Earlier on, there had been some vivid indications that at last the Nairobi Peace talks that had been on and off for the last four months would end on a successful note in the past few days.

But unfortunately as peaceloving Ugandans kept on waiting for the "good news" from the Kenyan capital, there ensued unexpected clashes between UNLA and NRA troops on different fronts. Coupled with this there erupted a hot war of words between the two warring factions in which accusation and counter accusations kept flying unchecked.

Since our last issue, our investigations have revealed that unless Head of State General Tito Okello who is also chairman of the ruling Military Council and Military leader of NRA Yoweri Museveni effect the signing of the Peace agreement, this country which has been together as a single sovereign nation since independence is threatened with a split and therefore meaning untold bloodbath perhaps unknown in the history of independent Uganda.

Evidence

There is concrete evidence that while the peace talks have been going on and a draft agreement being made, both UNLA and NRA have been intensifying a troop recruiting campaign. This exercise has been intended by each side to strengthen its military might in the event of talks breaking up.

Reports reaching the 'EQUATOR' from NRA's controlled South-Western Uganda reveal that if the agreement is not struck by the two warring parties, Museveni intends to hold on to his controlled area if he cannot presently storm Kampala as he has repeatedly threatened.

There are strong indications that if NRA manages to remain in firm control of the south-west, Museveni might declare that part independent of the rest of the country.

At the same time we have it on good authority that the Military Council is not prepared to stand such an action. Hence the growing fear of a possible fierce Military confrontation between the UNLA and NRA resulting in blood bath in which hundreds might be left dead and property destroyed.

New Currency

Unless otherwise--our reports from Masaka which was blockaded off by NRA, Museveni's political wing of NRM plan to print and put into circulation new currency in their controlled area. Money is also being made available to purchase coffee and other cash crops for export from farmers and on cash basis when the new season opens next year.

A highly placed source in the Uganda Tea Growers Corporation (UTGC) have revealed the NRA is planning to market tea in Western Uganda abroad.

The source revealed that recently, the corporation received information from a firm in Mombasa to the effect that a NRM Commissioner for Marketing and Co-operatives in the NRA controlled South Western region, had contacted it to know whether it could arrange to buy tea from Uganda.

The firm which recognises the UTGC as the authentic body that has been marketing tea from Uganda, was taken a back and decided to ring UTGC headquarters to find out whether the person was acting on its behalf the source revealed.

It was also learned that before the coup a substantial amount of manufactured tea was ready to be transported to Kampala for marketing.

Museveni's administration he set up and announced recently is said to be working on arrangements to boost agricultural activities in the area by dishing out free hoes to farmers and plenty of medicine is said to be imported in.

As it has been mentioned earlier, the Military Council will not entertain Uganda being turned into another Korea and UNLA is said to be determined to prevent this move by going all out to rout NRA militarily. But just as storming Kampala cannot be all that easy, dislodging Museveni is no push-over affair.

It is against this background that we of the 'EQUATOR' once again join other Ugandans who are on the side of peace to both the Military Council and the NRA to come to a negotiated peace settlement rather than resorting to flexing of military muscles.

/12828

CSO: 3400/1259

SOUTH AFRICA

NAFCOC CONFERENCE AGREES ON PLAN FOR BLACK UNITY

Johannesburg BUSINESS DAY in English 17 Feb 86 p 3

[Text]

NAFCOC should use its influence to promote unity among black organisations, such as Inkatha and Azapo (as well as the UDF), to prevent the prospect of further internecine strife.

This was decided at a National African Federated Chambers of Commerce (Nafcoc) conference in Johannesburg at the weekend.

The theme was: Black Unity -- The Road Ahead.

The conference agreed with P M Zulu, senior research fellow at the Race Relations Unit of Natal University, when he said the politics of co-optation had gained nothing for blacks.

It was the extra-establishment of institutions, like the United Democratic Front and the Azanian People's Organisation, that took centre-stage in the minds of most blacks, he said.

These organisations were responsible for concessions blacks had gained such as union rights, marginal improvements in education and freehold rights, Zulu said.

Co-ordinated Marketing MDR Khoza said that it was predicted

that an additional 210 000 executives would be required by the year 2000.

Whites could not conceivably fill more than 136 000 of these places, which left 74 000 posts for blacks, he said.

Khoza underlined certain principles (referred to later in the conference as the Khoza Principles) which involved a selective attitude to black boycotts.

He suggested picking off companies one at a time and really showing the power of the black purse.

In open discussions the main area of debate was over the kind of economic system blacks would like to see.

Nafcoc president Sam Motsuenyane warned that experience in African countries did not augur well for the prospects of a socialist SA.

Others argued that Nafcoc was perceived as part of the Establishment because of its support for so-called free enterprise — in which nothing was free for blacks — and that capitalism should be honestly rejected.

/12851

CSO: 3400/1202

31 March 1986

SOUTH AFRICA

ALEXANDRA'S RESIDENTS' HISTORICAL FIGHT FOR SURVIVAL REPORTED

Johannesburg BUSINESS DAY in English 18 Feb 86 p 7

[Text]

SURROUNDED by Johannesburg's affluent northern suburbs, poverty-stricken Alexandra residents have fought to stay in the squalid township.

Government planned to demolish Alex, as it is called, and replace it with eight massive hostels for 20 000 single migrant workers 23 years ago.

At the time, blacks in Alex held freehold property rights.

In 1963, the departments of Bantu Administration and Development, the Natives Resettlement Board, the Peri-Urban Areas Health Board and the municipalities of Johannesburg and Randburg decided that family housing would be gradually terminated in the slum.

Property owners in the township were to have been given a choice of property rights in the homelands.

"Not only will Alexandra provide accommodation to the Bantu of Randburg and its environs, but it will also contribute to the the solution of locations in the sky and the problems of accommodating Bantu in the backyards in some of the northern suburbs of Johannesburg," the boards and municipalities said in a joint statement.

The statement added that the new Alex would be more isolated from the northern suburbs and "buffer zones" would be provided.

After the decision to turn Alex into a hostel town, the heart went out of the once-vibrant community.

The township deteriorated further.

The first two hostels, one for men and one for women, were erected in 1971 and

were designed to take 5 400 single workers.

As the hostel plan gathered momentum, evictions became commonplace.

People who had once owned property were being thrown out by the Peri-Urban Board.

Then came the reprieve. Through the tireless efforts of the Rev Sam Buti and the Save Alex Committee, government reprieved Alex from demolition in May 1979.

"When government announced its plans to demolish Alex in 1963, the residents simply accepted that they were living on borrowed time. They thought there was nothing they could do to stop government.

"But after the 1976 riots, we decided to put up a fight for what is rightfully ours — that the heritage of our fathers will remain the heritage of our children," Buti said at the time.

Since then, money has been pumped into Alex in an effort to turn a slum into a residential area with all the amenities.

However, it remains a slum.

Families are packed into tiny shacks and houses. Up to 15 people live in each home's back yard. Amenities are almost non-existent and the overcrowding is legion.

Towards the end of last year, the Johannesburg municipality granted an additional 80ha of Lombardy East to the Alexandra council.

It also handed back 854ha of township land to the people, marking the total reversal of a disastrous government policy after 23 years.

/9317

CSO: 3400/1197

SOUTH AFRICA

TWO SIDES IN KRUGERSDORP RESETTLEMENT ROW REVEAL FEELINGS

White Petition Angers Munsieville Residents

Johannesburg THE STAR in English 24 Feb 86 p 7

[Article by Rich Mkhondo]

[Text]

Residents of Munsieville, near Krugersdorp, have reacted angrily to a petition signed by more than 10 000 Dan Pienaarville residents demanding that they be moved to Kagiso within a year.

Several Munsieville residents said they had lived in the area long before the whites settled in Dan Pienaarville and that if they objected to being neighbours, the whites should leave.

The Dan Pienaarville petition came after months of unrest in the black township and the petrol-bombing of a house in Dan Pienaarville. The two townships are divided by an area of open veld.

The Government had intended moving Munsieville residents to Kagiso some time ago but this decision was later changed.

FUNDS TO UPGRADE TOWNSHIP

In October last year the Deputy Minister of Education and Development, Mr Sam de Beer, announced that funds would be made available to upgrade the township. The announcement angered some white residents who have since started a campaign to have the township moved within a year.

Mrs Anna Motlalentwa (78) said. "It is said that you can choose your friends but not your neighbours. Dan Pienaarville residents chose to be our neighbours. Now they want us to be moved again.

"We were moved from Quelerie Park (Old Location) to the present township (Munsieville). We have been living in Munsieville since 1940.

"They became our neighbours in 1983, 40 years after we have settled and got used to the terrible conditions all blacks live under. Now they want us moved again," she said.

Said Miss Engeline Moloi: "The policy of removing people against their will has a tendency of being dangerous and inhumane. I suppose it is inherent in the policy of separate development practised. I wonder how they would feel if they were in our shoes?" she asked.

GOVERNMENT BLAMED FOR CONDITIONS

Mr Enock Xaba asked: "Does it mean that every-time a white residential area mushrooms near a black residential area the blacks must be resettled?"

"It is not our fault that we live in squalid conditions, it is the fault of the Government. Let Dan Pienaarville residents go back where they come from," he said.

Mr Peter Gallens (37) said: "For about forty years, the Government never bothered to upgrade the township. Now that a white residential area happens to be in the neighbourhood of a black one, the question of squalid conditions arises.

"We want to remain where we are. It does not matter what the conditions are. One day the conditions of the township will be improved, either by the Government or ourselves," he said.

Miss Eunice Moalosi (19) said: "The action of Dan Pienaarville residents is an indication that whites are not prepared to live side-by-side with blacks in peace and harmony. It is racism at its worst."

Petro-bomb Threat Haunts Residents

Johannesburg THE STAR in English 24 Feb 86 p 7

[Article by Hannes de Wet]

[Text]

"When you hear the whistling in the veld then you know trouble is cooking again."

Petite Anne Vrey, in her mid-thirties, shudders.

"What they do, is to station two lookouts at strategic points in the veld while a third does the breaking-in. The whistling is their way to communicate or to signal a warning when somebody is coming."

The veld is a piece of open ground dividing Dan Pienaarville, Krugersdorp, and the black township of Munsieville.

But break-ins are the least of Mrs Vrey's worries.

Her real concern, and that of her neighbours, is petrol bombs.

Since the Vrey's house was the target of a petrol-bomb attack on January 30, the people in Dan Pienaarville hardly sleep soundly.

Home has become synonymous with fear and insecurity, they say.

The source of their concern is that the edge of Munsieville is just a few hundred yards from their houses.

It is this situation which led to the drawing up of a petition signed by more than 10 200, demanding that Munsieville township be moved to Kagiso within a year. A rowdy crowd of 500 resi-

dents decided at meeting that the petition be sent to President P W Botha.

When *The Star* visited the area this week, the only sign of abnormality was the presence of Defence Force members patrolling the open space between Dan Pienaarville and Munsieville.

But behind the front doors of the neat middle-class houses in Dan Pienaarville you find fear and apprehension.

Mrs Elize Erasmus said she always keep a packed suitcase ready: "If I wake up with the house on fire from a petrol bomb I want to be able to just grab my suitcase and run."

She, her husband and their three children moved into the house about three years ago.

"We were told Munsieville was to be moved to Kagiso. But nothing happened. Instead, the Government decided to extend Munsieville."

The real danger of the situation, she explained, hit her about three weeks ago. "I was woken up by shouting and chanting. When I looked out the bathroom window I saw thousands of blacks marching past the house. Do you know how frightening that is?"

Two widows who live alone don't beat about the bush in voicing their feelings.

"We're prisoners in this house, especially over weekends. We don't dare to go out for fear the house will be petrol-bombed and burnt down," says Mrs Anna Arndt.

She and Mrs Anna Pieterse regard themselves as staunch "boerevroue" who don't fear anything. But there's one threat which really scares them — petrol bombs.

That's why they always keep two pails of sand in the house. "We want to be able to douse the flames immediately," they said.

Mrs Ina du Plooy takes a different precaution, for the same reason.

"Every night, before I go to bed, I fill the washing basin with water and put a blanket on the floor. That will enable me to have an instant wet blanket with which to put out a fire," Mrs du Plooy said.

Yes, they would like to leave the area, all the women said. But this would mean they would have to sell their houses for give-away prices.

In spite of that, the last impression as you leave the area is of the sign boards in front of at least 10 homes: "House for Sale."

SOUTH AFRICA

PRIVATE ENTERPRISE, GOVERNMENT TO IMPROVE BLACK HOUSING

Johannesburg THE CITIZEN in English 1 Mar 86 p 2

[Article by Brian Stuart]

[Text] CAPE TOWN. — In a major step to improve Black housing, Private enterprise has joined with Government in a programme of home-ownership for Blacks.

Leading financiers, businessmen, representatives of the building industry, large employer bodies and organised commerce, thrashed out the proposals at a round table conference in Cape Town yesterday, with Mr Chris Heunis, Minister of Constitution and Planning.

The private sector agreed it had a responsibility to provide homes for its employees. In turn the Government promised to cut red tape and to streamline freehold property ownership rights for Blacks during the present session of Parliament.

After meeting with the 30 representatives of major South Africa companies and bodies, Mr Heunis stated his satisfaction at the outcome of the talks.

He said the discussion had centred on private sector involvement in providing housing for their Black employees.

The importance of home-ownership was also discussed and there was agreement on a need to inform Blacks of the va-

lue of personal home-ownership and their rights in this regard.

Mr Heunis said agreement had been reached in respect of "the private sector's preparedness, commitment and responsibility to assist in the provision of housing for their Black employees".

Major companies were already involved in providing homes, but further involvement by the private sector was needed.

Building societies and other financial institutions had indicated their willingness to be involved on a large scale.

The Government would be prepared to eliminate red tape as far as was practicable and the necessary legislative steps would be taken during the current session of Parliament to streamline freehold property rights. It was also agreed that it was necessary to speed up the process of identifying and acquiring additional land for Black home ownership.

Mr Heunis said he would meet with the Private Urbanisation Council to seek ways and means of establishing a pool of information on the needs of the private sector.

SOUTH AFRICA

ALLEGATIONS OF POLICE BRUTALITY AIRED AT UDF PRESS CONFERENCE

Johannesburg CITY PRESS in English 2 Mar 86 p 6

[Text]

WIDESPREAD allegations of police brutality in townships such as Alexandra, Kagiso, Witbank and homelands such as Bophuthatswana were detailed at a United Democratic Front Press conference in Pretoria this week.

The conference was called to highlight events in the townships and rural areas.

UDF vice-president Samson Ndou warned that the organisation was being pressurised by the people to take "decisive action" against "wanton arrests and killings".

A parade of victims of the alleged police brutalities in Mabopane, Moutse, Leandra, Ga-Rankuwa and Winterveld took the floor during the two-hour conference.

They made detailed allegations of their experiences at the hands of the security forces.

Most displayed scars and wounds of recent beatings and shootings - which they all claimed were committed by cops and soldiers from the South African and homeland governments.

● Matthews Moshime, 18, said Bop cops gunned down Ephraim Motsepe in Mmakau last month. Moshime said he and Motsepe were crossing a schoolyard when Motsepe was shot dead.

When Motsepe fell down, two cops threatened to shoot Moshime as well.

The cops then "battled to put Motsepe's intestines in his stomach", Moshime said.

They tied his stomach with a cloth to keep the intestines inside.

They later forced him to sign a statement which said Motsepe was shot while they were setting the school alight, he said.

● Peter Lengwati, 24, from Witbank said he was fined and released after being arrested with others for holding an illegal gathering.

But cops later rearrested him while he was asleep at home. Lengwati said he was bundled into a van and savagely assaulted.

The next day a cop at the police station ordered him to go home - but then changed his mind. He told Lengwati he feared for his life because other cops might kill him on the way.

● Ephraim Mogale, first president of the banned Congress of SA Students, said troops had gone to Moutse and "attacked villagers resisting incorporation into KwaNdebele".

The villagers fled into nearby bushes, chased by cops and troops. Shops were also looted, said Mogale.

Mogale - recently released after five years on Robben Island - said his home was shot at and later burnt down.

● Alexandra Civic Association chairman Mike Beca blamed cops for the 45 people feared dead during Alexandra's "six-day war".

He said the 17 people killed will be buried at a mass funeral on Wednesday.

He described the situation in Alexandra as still tense – with cops and troops on patrol.

He said he was harassed by cops and troops while rushing a three-year-old boy with birdshot wounds to hospital.

Tshini Molodo of Mabopane Winterveld Crisis Committee said 50 people had died in incidents involving the cops since January 15 this year.

Over 500 people in the Mabopane, Ga-Rankuwa and Winterveld areas had been held by cops without being charged, but were all released after being assaulted.

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CSO; 3400/1262

SOUTH AFRICA

KAGISO RESIDENTS INCREASE CLAIMS OF POLICE BRUTALITY

Johannesburg CITY PRESS in English 2 Mar 86 p 6

[Article by Derrick Luthayi]

[Text]

BARELY a week after the Rand Supreme Court decided not to make public Kagiso resident's allegations of police brutality, more allegations are flooding in.

In two days this week, residents claim, security forces killed one man and injured over 40 people.

This week, the West Rand township was again under a complete police siege and a curfew.

A week ago residents brought a Supreme Court interdict detailing alleged assaults on them by local cops.

Law and Order Minister Louis le Grange's representative promised in court that cops and soldiers would not commit "unlawful acts" in Krugersdorp's townships.

In an unusual move before Judge Goldstone, lawyers for both the residents and the

Minister agreed residents' affidavits should not be made public until the Law and Order Minister and Defence Minister had had time to study them.

These affidavits, it was said, would only be made public by March 18.

But this week residents again alleged the security forces were assaulting them.

They alleged the assaults left one dead and over 40 injured.

Residents said the dead man is 18-year-old Steven Matsogo of 1353 Teme Street, Kagiso.

They said he was brought home battered and bruised, allegedly by police batons, sjamboks, metal pipes and sticks.

Matsogo had a deep gash in his head and many wounds on his body. He was certified dead on arrival at Leratong Hospital.

Father of three Jeremiah Sosibo allegedly suffered a broken pelvis during a police attack.

Sosibo said on his way to visit a friend cops asked him: "Waar gaan jy?"

"Before I could answer," he said, "police were all over me, hitting me until I fell.

"I tried to get up - but I could not because my pelvis was broken. I was taken home in a car."

Two of the alleged victims are not Kagiso residents. Calvin Browne and Yusuf Nanabhai had gone into the township to repossess a television set.

Nanabhai said they explained the purpose of their visit to the forces - but nobody listened.

Instead blows rained all over them, they said.

Both have laid charges of assault.

West Rand police spokesman Major Tienie

Halgryn confirmed that charges had been laid against the police and were being investigated.

But he said only three complaints had been received. He did not know about the other allegations.

Over 40 injured people - some with broken arms, swollen limbs, bruises and wounds - were treated by a doctor after they had made affidavits to lawyers at the local Catholic Church.

About 10 people claimed that they were flushed out of a house with teargas after cops had broken the door.

"When we ran outside a group of cops started beating us up without any questions," said Scot Mokgope.

"Among us there was an elderly woman, about 60, who was also severely assaulted.

"All of us suffered serious injuries but we are not going to report to the police - because they ignored the court ruling," said Mokgope.

● The initial interdict by Kagiso residents was instituted by the Krugersdorp Residents' Organisation.

They alleged large-scale brutalities after the funeral of 14-year-old unrest victim Franscinah Legwete.

The outcome of the interdict is still to be made public.

● Residents are preparing a new interdict following this week's events.

SOUTH AFRICA

WEST RAND TOWNSHIPS, SOWETO FEAR WHITE VIGILANTES

Johannesburg CITY PRESS in English 2 Mar 86 p 1

[Article by Derrick Luthayi]

[Text] The fear of white vigilante squads **has sent** shivers through Soweto and townships on the West Rand--with at least 13 black people shot at in the past few weeks.

A 14th has been found burnt beyond description.

In the latest incident, a white contractor fired a shotgun into a group of students from Soweto's Forte High School on Friday, wounding nine of them.

Two of the students are still in a serious condition at Baragwanath Hospital.

This week's shooting follows several mysterious attacks near Johannesburg in the past month:

Three men--Florida residents Marthinus Francois Dames, 27, Johannes Stephen Jordan, 30, and Hendrick Johannes Kleingeld, 31--are appearing in the Roodepoort Magistrate's Court for allegedly shooting four black men.

They allegedly shot and wounded four men in Florida about three weeks ago.

In the Krugersdorp Magistrate's Court, three white men have been charged with burning a black man alive.

Krugersdorp police are still trying to identify the body, which they say is burnt "beyond recognition".

Also in Krugersdorp, police are trying to trace the owners of a green Mazda, who went on a shooting spree last weekend--firing at black people in the white suburb of Noordhewel.

Concern over the possibility of vigilante squads taking pot-shots at black people also prompted Protea police PRO Major Fanyana Zwane to issue a statement reassuring residents that the cops could cope with the situation.

Zwane said: Rumors aimed at encouraging widespread rioting are being spread in Soweto--but we want to assure the public that all law enforcement agencies are ready and equipped to deal with such rioting."

Asked to comment on this week's shooting at Forte High, Pretoria cops said: "The contractors had felt intimidated by the scholars and fired on them with shotguns."

But a teacher who witnessed the shootings said: "There was no suggestion of a threat. The contractors were about 70 metres away when they turned around and one of them fired his shotgun."

The contractors had been putting a security fence around the school with the help of a group of 30 black workers just before the trouble started.

Students at Forte High feared the fence was electrified and meant to electrocute anyone trying to scale school fences during disturbances.

They apparently approached the contractors and their workers to ask them to go away, and the contractors agreed.

They packed their equipment and were escorted out of the premises by a large group of students.

A short distance away, they stopped their truck, and one of the men aimed at the group of students gathered at the gate of the school, according to eyewitnesses.

He fired several shots and hit nine students.

Two--Theophulus Mosaka, 16, and Johannes Setheiso, 16, both from Dobsonville--are still in a serious condition.

Mosaka was shot twice in the stomach and back and is in Bara's intensive care ward.

Seven other students were treated and discharged on the same day.

These include Jacob Moeketsi, Kadi Thotlhang and Titus Motang, all from Dobsonville.

Parents are up in arms against the incident and have expressed fears that a vigilante group of white right-wingers might be on the loose.

They link their fears to the latest shootings in Krugersdorp, Roodepoort and Honeydew.

The mother of one of the students, Alinah Mosaka, said her family was going to take legal action against the contractor.

/12828

CSO: 3400/1262

31 March 1986

SOUTH AFRICA

POOR EDUCATION FORCING BLACKS TO ADOPT PIDGIN ENGLISH

Durban THE DAILY NEWS in English 20 Feb 86 p 10

[Text]

PRETORIA: Pidgin English is expected to become the social norm in South Africa and it was doubtful that this prediction could be reversed.

Addressing delegates at a Pretoria conference on the role of language in black education, Mrs C.M. Webb of the Soweto College of Education, said blacks would dictate the quality of English to be used in South Africa.

She added it was impossible for a language to remain unaffected in a developing country and in South Africa where the "new" speakers were often ill-equipped to speak the language, it was doubtful they would strive to speak correct English.

Pidgin English will become the language of the majority, particularly in industry, warned Mrs Webb.

It was doubtful this grim prediction could be reversed when seen in the light of the black man's present social identity crisis, the pop-

ulation explosion and the inadequacy of in-training programmes of the Department of Education and Training for the upgrading of language teachers.

The urgent need for manpower development has resulted in in-service training programmes undertaken by the private sector.

These have often proved to be disastrous because of communicative incompetence and the illiteracy of blacks in official languages, she added.

All in-training programmes ~~concerned~~ with upgrading professional skills qualify for tax concessions, however, language teaching programmes did not as they were not regarded as job orientated.

The private sector was also reluctant to improve language skills because of the cost. This means a pupil who cannot communicate in English before entering industry will never acquire a proper English, she said.

/12851

CSO: 3400/1202

SOUTH AFRICA

DEPUTY MINISTER URGES IMPROVED BLACK EDUCATION

Johannesburg THE CITIZEN in English 6 Mar 86 p 8

[Text]

CAPE TOWN. — The Government must provide "nothing less than the best" educational opportunities for Blacks, who constitute 75 percent of all school-going children, says Mr Sam de Beer, Deputy Minister of Education and Development.

"Order in education and stability in Black communities is essential for progress on the road of political reform and the accomplishment of the ideal of equal education for all population groups."

Mr De Beer, stating Government policy in an article in the Nationalist, organ of the National Party, said the acceptance of the Government's good intentions in regard to education was also essential.

The magnitude of the task and responsibility was clearly evident from the facts:

- The total number of Black pupils has grown from 800 000 (8 percent of the Black population) in 1953 to 6,2-million (24 percent of the Black population) this year.

- The Black population annually increases by 250 000. It means that approximately 300 large schools have to be built and that at least 8 000 teachers must be trained yearly.

- At present 74 per-

cent of all children attending school in Southern Africa are Black and demographers calculate that fully 78 percent of the total population will be Black by the year 2020.

It was against this background that the Government's commitment in Black education had to be evaluated.

"It is clearly in everybody's interest that the Black man should currently be receiving the best possible education to enable him to become economically efficient and to make a meaningful contribution towards supporting and expanding the economy," said Mr De Beer.

"The role that education has to play in the social and political development of the Black people is not always appreciated. After all, educational development and political maturation and sophistication go hand in hand."

The goal of equal education was now laid down in an Act of 1984 setting up the new Central Department of National Education. Its responsi-

bility was to lay down and monitor education norms and standards applicable to the education of all population groups.

Since 1978-79, the budget for the Department of Education and Training had increased from R147-million to more than R900-million for the current year.

"This is a concrete example of the Government's commitment to provide equal education opportunities for all population groups."

Mr De Beer said the per capita expenditure on Black pupils had risen from R84 in 1979-80 to R365 in 1985-86. The higher the level of education, the more favourable were the comparative per capita expenditures on pupils of the various population groups.

"Even at this stage a comparison between a new school for Black pupils and a new school similar in size for White pupils, both staffed with teachers of equal qualification, will show that the per capita expenditure is virtually the same."

31 March 1986

SOUTH AFRICA

BRIEFS

COURT ORDER ON VIGILANTES--Cape Town--An urgent application for an order to restrain a group of vigilantes from operating in Zolani township, Ashton, was granted by Mr Justice H. Berman in the Supreme Court, Cape Town, yesterday. The order also prevents the group from imposing a curfew on township residents and assaulting, threatening, harassing or intimidating them. The application was brought by Mrs Miriam Tyhalisisu, Mr Mvula Tokwe and Mr Freddie Memani against 15 respondents. In papers, Mr Memani alleged that since November a group calling themselves the Amazolomzi, who wanted to control the community by using violence, had committed several acts of assault. They patrolled the streets with knobkierries, iron rods and assegais, beating people who would not observe a 9 pm curfew. It was also alleged that the Amazolomzi were conducting these activities with the knowledge of the police. Much of the violence had been directed against young people after a school boycott started in Zolani on November 4.--Sapa [Text] [Johannesburg THE CITIZEN in English 28 Feb 86 p 8] /9317

WHITE BUSINESS BOYCOTT--Port Elizabeth--The Alexandria Boycott Committee has launched a three-month boycott of white businesses in the Port Elizabeth area. Committee chairman Mr Tamsanqa Prince said Alexandria residents decided on the boycott after talks earlier this year with local authorities proved fruitless. Residents' demands included an end to sewerage dumping near the township, inadequate electricity supplies, untarred streets and inadequate water supplies.--Sapa [Text] [Johannesburg THE STAR in English 1 Mar 86 p 3] /9317

BLACKS TO REMAIN IN MARIANHILL--Cape Town--The Government has decided not to move Blacks from the Mariannhill area, between Durban and Pietermaritzburg, but to accept them as permanent residents of South Africa. Mr Chris Heunis, Minister of Constitutional Development and Planning, said in a statement yesterday that the decision had been taken after "protracted representations from various interested parties." He had also consulted the two "own affairs" Ministers of Local Government, Mr B. Dookie (House of Delegates) and Mr David Curry (House of Representatives), who agreed to recognising the permanence of Blacks living in the greater Mariannhill area. "The Government has accordingly decided that, in the interests of orderly development of the area, St Wendolin's Ridge, Klaarwater and the intervening area will, as a matter of urgency, be developed into a Black township within the RSA. "Residents of this area will be afforded the opportunity of acquiring ownership of land. "It must be emphasised, however, that this decision will not prejudice on-going negotiations concerning the search for equitable solutions to the overall development problems of the sub-region," the Ministers said in a joint statement. [Text] [Johannesburg THE CITIZEN in English 24 Feb 86 p 7] /9317

NEW BOPHUTHATSWANA TERRITORY--The farm Lentevallei 131 and portion 1 of the farm Spring Valley 129 in the district of Vryburg 3, will become part of the Republic of Vophuthatswana on March 1. A proclamation to this effect appeared in the Government Gazette yesterday. [Text] [Johannesburg THE CITIZEN in English 1 Mar 86 p 7] /12851

DEBT ACCORD--The African National Congress strongly condemned the Western banks which allowed South Africa to obtain an agreement in principle on 20 February for the rescheduling of its commercial debt of \$14 billion which Pretoria had frozen since last September. Under the agreement repayment of 95 percent of the debts due since September will be postponed until March 1987. News of the accord was immediately followed by a rise in the value of the rand above the 50 U.S. cents barrier. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 1 Mar 86 p 6] /8309

ISRAELI COMPUTERS FOR BLACK SCHOOLS--Following the sanctions against South Africa adopted by the United States last year with regard to the supply of sensitive computer equipment, it appears that Israel is increasingly filling the gap that has been left. According to the South African publication THE FINANCIAL MAIL a "joint venture" agreement has been signed between Barlow and Rand of South Africa and Degem of Israel for the installation of a computerised system of instructing apprentices in the black schools run by South Africa's department of education and training. In this respect, a study by the American researcher Thomas Bartholomay for the Africa Research and Publications Project of Trenton, New Jersey, has revealed that the data processing as well as the content of the educational programmes form part of a wider network connected with the department of manpower, the "pass" control service and various branches of the military under the heading of "global strategy." The aim is to pick out skilled black workers and gain a better idea of who should remain in the black "homelands" or who should be sent back there. This project is said to be inspired by a programme operating in the United States called PLATO (Program Logic for Automated Teaching), drawn up by a team from the University of Illinois and sponsored by the Pentagon. According to Bartholomay the authorities concerned, and the police, have access not only to the background and scholastic performance of pupils, but also an assessment of their attitude to the computer, which can be interpreted in terms of their docility or resistance to authority. Also according to THE FINANCIAL MAIL, cooperation between South Africa and Israel, enshrined in an outline agreement signed in 1983, will enable South Africa to equip itself soon with laser technology. Finally, an agreement signed in April 1985 between Israel and the United States allows Israel to use South African raw materials in the manufacture of high technology goods for export to the United States, without the South African producers being liable for customs duties, provided the Israeli share of the finished product is not less than 35 percent. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 1 Mar 86 p 6] /8309

CSO: 3400/1238

SOUTH AFRICA

COSATU PLANNING NATIONAL ANTI-PASS LAW CAMPAIGN

Johannesburg CITY PRESS in English 16 Feb 86 p 5

[Article by Mono Badela: "Cosatu Takes on Dompas Laws"]

[Text] **THE 500 000-strong Congress of SA Trade Unions is planning a national anti-pass law campaign this year.**

Union officials told a Press conference, after the Cosatu central executive committee met at the weekend for the first time, that the three-month-old federation was committed to ending passes and all forms of influx control.

And Cosatu general secretary Jay Naidoo told reporters the 85 delegates – representing 33 unions – had decided at the weekend meeting in Soweto that the campaign would go ahead despite President PW Botha's "Rubicon II" announcement that, from July 1, black South Africans would not have to carry passes.

He said Botha's announcement of a uniform ID document for all races did not change the fact that black people's movements would still be restricted – influx control had been institutionalised through the homeland system and the system of labour bureaux for recruiting workers.

"Pass laws, influx control and other apartheid laws are interlinked," he said.

Full details of the campaign – first mentioned by Cosatu president Elijah Barayi at the Durban rally marking the federation's launch – will be given as soon as union leaders have had time to discuss it. "A specific anti-pass law program of action is to be devised by the executive soon," said Naidoo.

Rubicon II: 'No thanks'

A statement released at the Press conference said Botha "cannot be entrusted with the task of dismantling a system of national oppression and economic exploitation", and that "Rubicon II" clearly indicated this. "Only a complete and immediate dismantling of apartheid, the release of our authentic leaders and the unbanning of the authentic organisations of the oppressed majority will create the climate for a democratic SA," the statement said.

It rejected the proposed national statutory council as a "fraudulent attempt to white minority rule", and said anyone who agreed to serve on the council would be "party to the domination of the majority in SA".

Cosatu and Inkatha

Turning to Natal, and Cosatu's troubled links with Chief Gatsha Buthelezi's Inkatha movement, union officials condemned attacks on Cosatu's Natal leadership, accusing supporters of Inkatha of responsibility.

They warned that the use of violence would eventually prove to be counter-productive.

Their warning came as Inkatha's Buthelezi strongly denied Inkatha involvement in the attacks.

Cosatu also criticised the planned establishment of an alternative union federation by elements in Inkatha – slamming it as "a move designed to undermine the unity of the working class in the face of massive attacks by the apartheid Government, big business and other enemies of the working class who would use tribalism and racism to divide the workers".

The CEC endorsed a statement by Natal delegates, saying that since Inkatha first announced its own union federation "several incidents of violence against our membership and leadership had taken place".

"Officials of Cosatu's affiliates in Newcastle and Vryheid have had their houses burnt, offices in Newcastle had been invaded and officials threatened with death."

The federation, with 500 shop stewards representing 75 000 organised and paid up-members in Natal, added: "We would urge those elements who use violence against Cosatu to take note that Cosatu can and will defend itself and that the use of violence will eventually prove counter-productive for those using it against Cosatu."

Cosatu also denied suggestions that it was a front for the African National Congress - saying this suggestion showed little understanding of the democracy of worker organisations.

Four years of talks

Cosatu, Naidoo told reporters, was formed after four years of painstaking talks between SA unions. The greatest achievement of Cosatu and those unions which united to form the federation was, he said, the building of structures for workers to express their views.

On support for free enterprise - the planned Inkatha unions will support both free enterprise and foreign investment - Cosatu officials said they believe workers built the wealth of SA, "but the only reward we receive for our labour has been the starvation wages we earn".

"Even today," they said, "wages of R20 a week are paid in Pieters, Isithebe and other parts of KwaZulu."

The statement added that for black workers the free enterprise system was built on the dispossession of the land from the majority by a minority. "Free enterprise has been based on the denial of political rights to the majority of

black people. Does Inkatha want us to support a system that has resulted in the enslavement and poverty of our people?

"Cosatu wants a society where there will be no starvation and hunger, where there will be no malnutrition and kwashiorkor, where there is proper housing, medical care and free education."

They said free enterprise had never given the oppressed people anything, and had denied them basic human rights.

"So Cosatu demands a society where the wealth that is being created by the working class should be used to benefit all SA."

● Buthelezi said at the weekend that he was unaware of any violence against members of Cosatu and took "strong exception" to allegations that Inkatha was involved in violence against the federation.

He warned the Cosatu leadership to be "very careful" when blaming Inkatha for violence against their members. "We agree with Cosatu that the Government has had a hand in the mismanagement of the economy in SA," he said.

"It is a fact I have repeated, as president of Inkatha, in a number of public speeches."

Farmworkers' union

Cosatu also resolved to work towards setting up a farmworkers' union - condemning the Government's continued refusal to allow farmworkers to legally organise themselves into unions, and "the situation of semi-slavery under which the majority of farmworkers live and work".

The federation also committed itself to organising SA's estimated 7-million unemployed - officials have been instructed to make contact with all groups organising the unemployed, and to convene a special meeting of all interested groups to plan the formation of an unem-

employed workers' union.

Cosatu believes that the unemployed in South Africa have been used by employers and the Government "as a bulwark against the struggles of organised labour". It believes that setting up of an unemployed workers' union would strengthen the unity of all workers.

The Soweto meeting also agreed to help establish a union in the building industry, where thousands of workers are not organised.

'Free Saawu trialists'

The federation also demanded that treason charges against the SA Allied Workers' Union leaders in Maritzburg be dropped.

It noted that managers of certain companies are testifying against "our comrades on trial" - a fact which delegates will take back to their membership for discussion.

★ On the sacking of 23 000 mineworkers from Gencor mines in Bophuthatswana, the committee said: "This action of one of SA's major monopolies, clearly demon-

strates the involvement of 'free enterprise' in the machinery of the apartheid state." It called on unions to ensure that the workers were reinstated.

★ Cosatu decided against affiliating to any of the major world labour federations - ICFTU, WCL and WFTU - which, it said, were split along "Cold War" ideological lines. Any affiliation would draw Cosatu into "the web of international politics" and thus cause division and collapse. Cosatu spokesmen added that, because of "the brutal and violent system of national oppression and racial exploitation", workers here could not participate fully in these organisations.

But the meeting resolved to "build fraternal ties with progressive worker organisations committed to our struggle for freedom" in all countries.

Delegates also decided to limit foreign financial aid to avoid dependence.

★ Cosatu's headquarters will be in Johannesburg, and a committee to set up offices has been established.

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CSO: 3400/1210

SOUTH AFRICA

COSATU URGES MEMBERS TO BOYCOTT SOWETAN

Johannesburg CITY PRESS in English 16 Feb 86 p 5

[Text] COSATU has recommended that its 200 000 affiliated members in the Transvaal boycott the country's biggest black daily paper, the *Sowetan* - saying it is "biased and essentially anti-Cosatu".

But any action against the *Sowetan* must first be discussed by Transvaal workers and officials.

Cosatu general secretary Jay Naidoo said the federation's central executive committee had received several complaints from union members and Cosatu officials about the *Sowetan's* attitude towards the 500 000 strong federation. No members of Cosatu affiliates would "have anything to do with the paper", he said.

The meeting discussed the alleged distortions and specifically the way the *Sowetan* covered the visit by Naidoo - just a week after Cosatu's launch - to address the World Council of Churches' conference in

Harare, which was also attended by ANC officials.

He said the front page report had "quoted" union officials who afterwards categorically refuted the *Sowetan's* interpretation of their statements.

The CEC resolved that this was designed to cause divisions in Cosatu and, more broadly, in the working class.

It therefore resolved no Cosatu affiliate would have anything to do with the newspaper and recommended the strongest possible action, including a boycott of the *Sowetan* by Cosatu members. It has mandated the Transvaal region of Cosatu to discuss and implement such a recommendation.

★ Cosatu's decision has been described by *Sowetan* editor Joe Latakgomo as unjustifiable "on the basis of the available information". He said the report in question was carried out factually without "interpretation on our part."

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CSO: 3400/1210

SOUTH AFRICA

HELEN SUZMAN GIVES VISION OF OPPOSITION POLITICS IN FUTURE

Johannesburg BUSINESS DAY in English 17 Feb 86 p 4

[Interview with Helen Suzman with Managing Editor Neil Jacobsohn;
date and place not given]

[Text]

The turmoil that has shaken the Progressive Federal Party has focused new attention on opposition in SA, in and out of Parliament. HELEN SUZMAN, after 33 years in politics, many of them as the sole liberal voice in Parliament, is the very essence of opposition. In this interview with Managing Editor NEIL JACOBSON she spells out her vision of opposition politics in the years ahead

JACOBSON: the parliamentary role of the PFP has been severely questioned by the resignations of Van Zyl Slabbert and Alex Boraine. What can the PFP really do in Parliament?

SUZMAN: Obviously, we cannot repeal the apartheid laws that we would like to. But what we can do is allow nothing to go by default, to highlight government's idiotic actions — such as the Moutse affair — and to hold government answerable for its sins and omissions.

Also important is that the parliamentary machine enables us to extract valuable information by means of questions. In this way we have built up a great fund of statistical information otherwise unavailable, such as the number of pass arrests, or people in detention, or people forcibly removed. This enables us to illustrate the awesome effects of various laws.

WHAT role does extra-parliamentary opposition have, and where does the PFP fit in?

I AM not even going to discuss the organisations using violence.

In no way can I condone the anarchistic elements dominating the townships now. I can understand the rage of young blacks impatient for change, but by this means you are left in the end with a tyranny as bad as the one you have replaced.

Other organisations, such as the UDF, rely on protest meetings and other strategies, such as strikes and consumer boycotts. These will undoubtedly be increasingly potent, but, ironically enough, only so long as blacks are employed and have increasing consumer power.

As for the PFP, we have to keep the channels open, which has not been easy because of the rejection by many people and groups of anyone participating in the tricameral Parliament.

But we have a dual role — pressure in Parliament, and pressure outside Parliament, through the links that can be forged by the PFP's increasing participation in community projects.

Besides, if we all abdicated, the right wing would take over the opposition role in Parliament and that would have the effect of de-

terrifying government from the incremental reforms that it is contemplating. Pressure from us at least encourages progress.

WHO, then, is the PFP representing — affluent whites, big business, the silent majority?

IT'S VERY hard to identify, except to say that we got over a quarter of a million votes in the last election.

Many blacks were undoubtedly pleased to have increased representation of anti-apartheid views in Parliament. But clearly we don't profess to speak for the black people. It so happens that many of our aims coincide with those of a vast majority of unrepresented South Africans, insofar as all our efforts are focused on getting rid of the oppressive system under which we all live.

WHAT OF business? Should business support the PFP?

THERE HAVE been criticisms of business — indeed, I have been critical in the past about the deafening silence from business.

In recent times, however, the business community has become increasingly vocal in its opposition to government policy.

BECAUSE business is hurting?

YES, you could call it enlightened self-interest if you like. But I don't think business will back off if economic conditions improve. It has taken the plunge, and now I don't think it is likely to change its stance.

WHAT about Van Zyl Slabbert and Alex Boraine? What role is left for them?

THAT remains to be seen. I am sure they will be given a rapturous welcome at the English-medium universities and by the UDF and similar organisations. But how do you proceed without a base such as Parliament? That for me is the \$64 000 question.

WHAT about yourself, now that the "young lions" are in charge of the PFP?

I'M ALL for the young lions, providing you have experienced leadership. As for me, I stay where I am ... but not forever.

Dr Slabbert's first reaction was that we had to engage the system. He has changed his mind, but those of us still here are still doing that. We still believe that Parliament, despite its heavily flawed structure, has its uses.

FINALLY, what about President Botha's reform moves? Is government really changing?

GOVERNMENT will make incremental changes as it intended to do. It will not under the present circumstances remove the foundation stones of apartheid.

We are in for a long, hard hoe in this country. Young blacks who think that "liberation is around the corner" will learn that nothing is further from the truth. We are in for a long period of attrition, with increasing urban violence and a government which, if not displaced, will meet the situation with tougher police and military action. That to my mind is what we really have to do — to show the white electorate that this is the scenario unless we act to change it.

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CSO: 3400/1212

31 March 1986

SOUTH AFRICA

NEED FOR SAP TO ADAPT TO NEW CHALLENGES SEEN

Cape Town CAPE TIMES in English 17 Feb 86 p 7

[Article by Willem Steenkamp]

[Text]

THE SAP has changed a great deal in 73 years, but it would be fair to say that it has not yet reached the end of its long evolutionary process. It will change again, possibly more than once, as South Africa drags itself painfully towards a new and still shapeless political dispensation.

In fact, as the country's primary peace-keeping force it will have no option but to adapt itself to the shape of things to come, and devise new ways of dealing with the challenges that inevitably will confront it.

There can be little doubt that a massive effort is needed to restore the SAP's general credibility — even if (as senior spokesmen claim) most blacks and others appreciate it, good law-enforcement depends on broad public support.

Some critics might say this is an impossible aim at present, and this might be so, but it must be attempted because a "normal" situation might be years away.

Even if the overt unrest were to die away tomorrow, South Africa would still suffer from

the general breakdown in the public order — the most obvious symptom of which is the recent sporadic but ferocious faction-fighting.

How to go about this task is another matter.

Disbanded

One of the more extreme suggestions has been that the SAP should be disbanded and re-raised. This is not really practical, and in any case ignores a fundamental fact: One reason why the SAP is unpopular in some quarters is because it is seen as propping up an unfair and unpopular regime.

Political reform, therefore, is one essential ingredient in any image-restoration — but only one. It is not a substitute for the internal reforms which can be perceived as necessary.

A primary problem, noted in the second article of this series, concerns the SAP's public image; and four major defects can be tackled:

● Local sensitivity.

The SAP is often accused of insensitivity to local feelings — a prime example being the raid

on a Wynberg mosque last year. Police say the action taken was justified and diplomatically executed, but that is not relevant. Many Muslims called it desecration — a serious accusation, given the resurgence of militant religious feeling, which negates the fact that pamphlets described as "subversive" were confiscated.

One reason is undoubtedly to be found in the fact that the SAP is a national force which takes its orders direct from the central government; a decentralized system, with control vested in the regional government except for matters of national concern, might do much to combat insensitivity.

It is possible, for example, that had the Western Cape division of the SAP been controlled by the province instead of Pretoria, its handling of the march on Pollsmoor — which started the unrest locally — would have been different.

● Review boards. The widespread belief that the SAP is guilty of brutality — both within the

riot situation and out of it — is one which will prove incredibly difficult to eradicate.

One suggestion has been that a permanent board be formed, consisting of both senior policemen and community representatives, which would review all allegations of police misconduct in open session.

Such a board would certainly serve two important purposes.

● It would motivate policemen to conduct themselves well and remove any public doubt about whether the SAP follows up cases of misconduct with the requisite vigour.

● It would force complainants to produce evidence instead of making allegations and thereby condemning the police to trial by public opinion.

● Freedom of depiction. The SAP should lose its power of approval over filmic depictions of policemen past, present and, presumably, future.

Apart from the question of censorship, this

provision has not achieved any good effect. The SAP has been over-sensitive on occasion, and reputable filmmakers have been scared off. As a result SATV has never had — and might never have — a decent police series like "Die Blou Ridder" or "Hill Street Blues", which portray policemen as fallible human beings and thereby win the sympathy of the public.

● **Manning** is the other major problem, and is already being tackled in various ways: It is said the SAP is to swallow up the South African Railways Police; all policemen are being pulled back from border duty; and hundreds of national servicemen go to the SAP instead of the SADF every year.

These are interim solutions, however, and the SAP has launched a vast recruiting campaign which it hopes will net it 11 000 new members by 1987 and 40 000 by 1996 — the aim being to have 2.6 policemen to every 1 000 citizens.

But this begs two very important questions.

Firstly, how are they going to be trained? The present police colleges cannot handle such intakes, and top instruc-

tors are always in short supply.

Secondly, can the right sort of people be found in those numbers? And can they be retained long-term? Enough are coming forward at present, but an improvement in the economy is bound to affect both recruiting and retention.

Several matters can be examined in this regard:

● **Personnel management policy.** At present a policeman signs on for an effective 40 years or so, and unless he seriously disgraces himself the force has him for that period, whether he is up to standard in the long term or not.

One alternative (which might also counteract "burn-out") would be to introduce a 30-year career, with members attesting in 10-year periods and applying for re-attestation at the end of each period. This would foster zeal, enable the SAP to get rid of duds and allow a policeman to "bail out" when he has attained a short-term goal or feels the need for a career change.

Benefits

It could also prove to be a valuable source of short- and medium-term personnel if a suitable benefits programme could be worked out.

For example, a man who retires with a clean record after 10 years could be given a study bursary and small gratuity, or a transfer to the civil service without loss of seniority; and after 20 years either a two-thirds pension and two-thirds gratuity or a transfer to the civil service without seniority loss.

A 30-year man retiring with a clean record would be entitled to a full pension and gratuity, or a civil service post with the same seniority.

● **Transfers.** Many dislike the present policy, which allows a member to be posted anywhere at any time, regardless of how it disrupts his life.

As a result, a policeman might well resign rather than be transferred, which means that the SAP loses all his accumulated expertise; or refuse transfer and thereby promotion, so that he does not achieve his full potential. Even worse, it might deter a good candidate from attesting in the first place.

Guaranteed local or regional service would undoubtedly foster retention.

● **Training.** Some observers believe that while many policemen study part-time for various legal and other diplomas and degrees, there should also be

more in-service training courses, of which there are not a great deal once commissioned rank has been achieved.

It has been suggested that the SAP should follow the SADF example and make promotion at every commissioned rank contingent on passing staff or specialist courses, and one expert observer would like to see the establishment of a police academy for such advanced instruction, the equivalent of the South African Army College or the Naval Staff College.

There is also the question of direct entry. Many SAP members oppose it, saying that the only way a policeman can build up the requisite experience is by the present system of working his way up through the ranks.

Others, however, believe that the SAP will never recruit enough of the specialists it needs if a man with, say, a degree has to start from scratch as a constable.

If there is one great truth about the SAP, it is that it is not an unchanging and unchangeable monolith. The only real question is about how it will change, and when — and whether those changes will be the right ones.

SOUTH AFRICA

MENTAL HEALTH CASES INCREASE DUE TO UNREST, RECESSION

Johannesburg THE STAR in English 18 Feb 86 p 10

[Article by Lesley Cowling]

[Text]

Political, social and economic upheavals are putting the mental health of South Africans in jeopardy.

Social workers and psychologists report that depression and anxiety in all communities have increased significantly in the last year, as a result of the stresses caused by political disorder, economic uncertainty and unemployment.

Alcoholism, drug abuse, wife and child battery and suicide could also be on the rise.

Mr A Dawes, of the University of Cape Town's psychology department, says the mental wellbeing of all people in South Africa is jeopardised by apartheid. In an article for the *South African Journal of Psychology*, he says South Africa's situation produces stress and stress-related problems.

According to American psychologist Mr Charles Spielberger, environmental stress is a major cause of anxiety.

In his book "Understanding Stress and Anxiety", he says that people use a number of defence mechanisms to avoid or minimise the anxiety. These include flight, aggression, repression and denial.

Officials of the National Council for Mental Health say they have seen such mechanisms at work in South African communities.

The impulse to flee is being acted on by many affluent South Africans, who are emigrating, and the aggression caused by frustration can be seen in the violence of some township youngsters.

Many people are also coping by repressing what scares them — either by saying "I don't want to know" and refusing to read newspapers and watch TV, or by denying that frightening situations exist.

'PARENTS FEEL POWERLESS'

Township disturbances are meeting some of the youth's needs, says Ms Jane Gama, of the Council for Mental Health.

Many youths involved in violence see their actions as necessary because of the system and feel

they are acting correctly. This justification protects them from the trauma and guilt they could experience, she says.

Youths who want to further their education, however, are anxious because their desires are being frustrated. And parents are extremely depressed.

"Parents feel powerless — they can't control their children. The children blame them for allowing the system to exist for so long and they blame themselves," Ms Gama says. "Their self-esteem has suffered."

Parents accept they are to blame and feel angry at themselves, their children and the system. This has led to a noticeable increase in the incidence of depression, anxiety and attempted suicide in the townships.

Unemployment and economic problems have aggravated the situation. People are losing homes and possessions as a result of retrenchment, which places great stress on their families and leads to further loss of self-esteem.

The effects of unemployment can be seen worldwide and studies from the UK show that people who are unemployed are two to four times more likely to develop minor psychological disorders than employed people.

Tara's senior social worker, Ms Vivienne Budlender, says patients seem to be staying longer in the wards.

ANTI-SOCIAL BEHAVIOUR

"They don't want to go when they don't have jobs to go to, so we are keeping them here while they look."

She says people working in community service see the effects of retrenchments — the most common being anxiety, depression, feelings of failure and loss of self-respect.

She says the anxiety escalates and could manifest itself in anti-social behaviour such as like alcohol and drug abuse, and wife and child-beating.

The Council for Mental Health is also concerned that aggression caused by stress could result in anti-social behaviour or that people could take refuge in drink or alcohol.

"But there are many different ways of handling stress, some more constructive than others. People must channel their energy into home industries or worthwhile projects.

"And people must also use the mental health services available to learn to prevent mental problems," they say.

Ms Driekie Moutinho, chairman of the Society for Social Workers, Witwatersrand, says social workers have had to move from concentrating on individual growth and development to finding financial assistance for families.

"Its no use helping people to work through their problems if they are hungry and have no place to sleep at night," she said.

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CSO: 3400/1207

31 March 1986

SOUTH AFRICA

NEW MINISTER IN HOUSE OF DELEGATES TO FIGHT MEDICAL APARTHEID

Johannesburg THE STAR in English 21 Feb 86 p 8

[Artical by Kashvina Jaga]

[Text] The newly appointed Minister of Health and Welfare in the House of Delegates, Mr Ismail Kathrada, says he will fight to eliminate racial discrimination in medical and health services in the country.

The post was previously held by Dr MS Padayachy, who was axed from the Ministers' Council headed by Mr Amichand Rajbansi.

The Star interviewed Mr Kathrada about the recent Transvaal Provincial Administration directive calling for the transfer of Indian and black patients from the Coronation Hospital to regional hospitals in their "own" areas.

Mr Kathrada said he was opposed to such action, adding that his department had nothing to do with the matter.

Asked about future objectives, Mr Kathrada said a top priority was the establishment of health services in rural and urban areas where services were severely lacking.

A plan already on the drawing board was a hospital in Phoenix, an Indian area in Durban with a population of about 100 000, he said.

LACK OF SERVICES

Preventative and promotive health care projects, the lack of

services in certain areas, as well as "expansion programmes" for existing services, will all be receiving attention.

Questioned on the disparity in the quality of medical services given to blacks in comparison to whites, Mr Kathrada said: "I would not like to discuss this as a black/white issue, but wherever there is any disparity I will work towards eliminating it."

Describing his new post as "challenging", he indicated that he still had to plan working strategies.

His interest in health care can be traced to his involvement as a youth in health and welfare associations.

Mr Kathrada said his previous working experience would stand him in good stead in his new post:

- He was the first Indian to head a local municipality.
- He was on the Verulam Town Board in Durban for five years and a former chairman of the Verulam local Affairs Committee.
- He was also a member of the now defunct Administrator's Non-White Local Government Committee in Natal and an executive member of the now defunct South African Indian Council (SAIC).

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31 March 1986

SOUTH AFRICA

OUTCRY OVER POLICY PATROL ON WHITE PORT ELIZABETH BEACHES

Johannesburg BUSINESS DAY in English 24 Feb 86 p 1

[Text] THE arrival of security forces — police and SADF members — at Port Elizabeth's whites-only beaches at the weekend could not have been more badly timed.

While it was described as a normal patrol by a police spokesman, former Australian prime minister Malcolm Fraser and Nigeria's General Olysegun Obasanjo were seen walking along the beach taking pictures of "whites only" signs.

The two are members of the visiting Commonwealth Eminent Person's Group (EPG).

Security forces were evident in their armoured vehicles and also on a foot patrol along the water's edge.

They were apparently there because of the possibility of black workers at General Motors visiting the beaches to court arrest by being at a "whites only" beach.

However, a police spokesman maintained that the patrols were normal pro-

cedure.

GM had offered to support legally and financially any of its 3 000 black workers prosecuted for swimming at "whites only" beaches.

For months the conservative Port Elizabeth City Council has been waging a battle to keep the city's beaches for whites only.

A full council meeting last Thursday warned of further moves towards opening the beaches.

Two PFP MPs yesterday slammed the presence of four manned SADF Buffels on the beaches.

Andrew Savage, the PFP member for Walmer, said the city council was seriously threatening Port Elizabeth's stability.

John Malcomess, PFP MP for PE Central, said the security forces seemed to have the habit of "shooting themselves in the left foot".

"This latest debacle to defend integrated beaches at the time when the EPG is in Port Elizabeth, will give it a most unfortunate, but nevertheless true picture of apartheid."

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CSO: 3400/1210

SOUTH AFRICA

GUNSHOT VICTIMS AFRAID TO SEEK TREATMENT

Johannesburg THE STAR in English 26 Feb 86 p 23

[Article by Jo-Anne Collinge]

[Text]

The determination of the police to trace unrest victims implied that people with gunshot wounds were to be treated as criminals, but experience had shown that most victims just happened to be "people who were standing in the wrong place at the wrong time", a Wits Medical School meeting was told yesterday.

The meeting was a response to multiple deaths and injuries in Alexandra in the previous 10 days and the police seizure of medical records of victims treated at the Alexandra Health Clinic. It was called jointly by the Black Students' Committee and the National Union of South African Students.

A doctor associated with Wits Medical School and working at the Alexandra clinic stressed that the public had failed to "understand the scale of the disaster" in Alexandra.

The clinic, privately funded and run on a shoestring, had been unable to cope when it

was suddenly filled with dead and dying people.

"We must now be prepared. This could occur again — we have no reason to think that the police and the army are drawing back in any way."

The doctor stressed that clinic staff had not only been medically unequipped but also unprepared for the ethical and legal issues of the crisis.

When the first victims were admitted, staff were unaware that they could turn police off the premises unless they had a warrant and the police had had easy access to the casualty section for a short while, she said.

The police had later been asked to go and when they had served two subpoenas on senior staff the clinic had prepared to fight these legally. Finally, the issue of a search warrant had led to police seizing 170 records on Monday.

"The action has undermined confidence in the clinic. People

are afraid to come here or to any clinic for shot wound treatment. In effect they are being denied any reasonable or accessible health care," the doctor said.

There was concern that patients referred to State hospitals for treatment had little security and that administrators might be breaching patients' rights to confidential treatment by supplying the police with information.

Alexandra Civic Association chairman Mr Mike Beea painted a picture of a tiny, crowded area in a state of martial law.

"Innocent people, adults and children, are living in great fear. Innocent people are getting killed and they don't know where to go for treatment."

Illustrating his point that the helpless were falling in the crossfire, he said he knew of a three-year-old whose body was peppered with 28 pellets — and whose family sought private help rather than go near a clinic.

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CSO: 3400/1190

31 March 1986

SOUTH AFRICA

DEPARTMENT OF EDUCATION ABLE TO COPE WITH RISE IN PUPILS

Johannesburg THE CITIZEN in English 27 Feb 86 p 4

[Text]

CAPE TOWN. — Increases in its budgetary allocation had enabled the Department of Education and Training to "cope effectively" with the increasing numbers of pupils and "in some measure" to lessen the backlog, the department said in its report for 1985, tabled here.

It had been able to do this because its Parliamentary Vote had increased by 148 percent over the past four years.

The teacher-pupil ratio had been increased from 1:42,2 to 1:38,8 over the four years.

"Apart from the 3 989 teaching posts that were created during this period to provide for the normal increase in pupil numbers, 3 688 posts were created to bring about this improvement in the teacher-pupil ratio."

Building programmes in unrest areas had been delayed and in some places came to a halt.

Nevertheless, 3 022 additional classrooms were provided during 1985, and construction in progress would add a further 1 016 classrooms to this total.

The year of 1985 had been marked by considerable progress in several areas.

There had been a more clearly defined education policy and greater co-ordination between education departments, including those of the self-governing national states.

There had been progress in the improvement of "the professional level" and of management expertise at all levels.

There had been an extension of opportunities for the development of pupils in the curricular as well as the extra-curricular field, and there had been progress in the involvement of Black people in their education in the managerial as well as in professional areas.

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CSO: 3400/1207

SOUTH AFRICA

SUMMARY OF PRO-, ANTI-PARLIAMENTARY DEBATE AT UDW

Durban POST NATAL in English 26-1 Mar 86 p 15

[Article by Kanthan Pillay: "The Great Tricameral Debate!"]

[Text]

THE long overdue public debate between pro and anti parliamentary forces, which failed to materialise on SATV, finally took place last week at the University of Durban-Westville campus. The Tricameral Parliament: Success or Failure? was the theme of the discussion organised by the Students' Representative Council as part of their orientation programme for first-year students. Post's KANTHAN PILLAY was there to sum up the encounter

THE long-awaited Big Debate saw Praveen Gordhan of the Natal Indian Congress and the United Democratic Front's Lechesa Tsenoli square up against the National People's Party's Ranji Nowbath and Solidarity's Ismail Omar.

After almost three hours of discussion, the overwhelming majority voted the tricameral Parliament a failure — but it was a decision made long before the debate began and not on the strength of the arguments.

From the start of the debate, it was clear the talk would not be flowing at a smooth academic level.

The pro-parliamentary faction of Messrs Nowbath and Omar were at

cross-purposes from the beginning.

Mr Omar was unable to make out a case for the success of the tricameral Parliament and Mr Nowbath seemed to ignore the topic.

And in the case of Mr Gordhan and Mr Tsenoli, as followers of the same political philosophy — that of the Freedom Charter — they were unable to present the variety of viewpoints necessary in discussions of this nature.

Mr Omar argued he had always believed that if the tricameral Parliament was a success then members of Solidarity had failed.

The object of participation, he said, was not to make the tricameral Parliament a success, but to use it as a weapon

to destroy apartheid.

Mr Nowbath said he was not member of the National People's Party.

"But can you speak as a representative of the NPP?" asked the chairman, Professor Ted Sarkin, of the University of Natal's Medical School. "Can you tell us how you view your support in the community?"

"I have it on record in Hansard and I say it again — I view mankind as being mean, miserable, and despicable," Mr Nowbath said.

"I am not a democrat, I am a totalitarian. I believe that the people do not know what is good for them," he said to howls of outrage from the audience.

"If the people knew what was good for them, they would not be any need for any leaders. There would be no Praveen Gordhan, no SRC chairman — they are the ones who mould the minds of the people!"

Mr Tsenoli responded: "How can you sit there claiming to represent us when children are being shot in our townships?"

Mr Nowbath: "I don't see any Indian children being killed."

That statement led to total chaos. Some students hurled toilet rolls at Mr Nowbath. None hit its target.

Mr Nowbath said the struggle was not about people's rights — it was about power.

The masses, he said, were cannon fodder to be used in that quest for power.

Mr Omar immediately dissociated himself from Mr Nowbath's comments, and earned applause

from the audience.

He pleaded with the audience to appreciate that what took place in the House of Delegates was not representative of the real moves towards change which, he said, were taking place behind the scenes — in the standing committees and in confidential discussions with Ministers.

Messrs Gordhan and Tsenoli rejected this. There was no evidence, they said, that changes had come about because of these "secret" discussions between Indian parliamentarians and the Government. These had been brought about by extra-parliamentary pressure.

Some 2½ hours later, Professor Sarkin brought the discussion to a close. SRC chairman Vasu Gounden asked the participants to leave the hall for a decision to be taken by the audience.

The decision was — predictably — in favour of the UDF/NIC team. There were jeers and catcalls directed at Mr Nowbath and Mr Omar as they left the hall.

It is unlikely whether such a debate will take place again in the near future. If both sides had had a variety of opinion-makers present — for example had Mr Pat Poovalingam of Solidarity and Mr Saths Cooper of Azapo been included on the respective sides — the outcome may not have been any different.

It would, however, have contributed to a greater understanding of the political approaches facing the black community.

SOUTH AFRICA

NEW REPUBLIC PARTY LEADER URGES NATIONAL RECONCILIATION

Johannesburg THE STAR in English 27 Feb 86 p 10

[Article by Bill Sutton, leader of the New Republic Party: "Need for National Reconciliation"]

[Text] The apartheid policy of the Nationalist Government has alienated the population of South Africa to an astonishing degree.

Virtually the entire black, Indian and coloured population and a significant proportion of the white population are increasingly in revolt against what is seen as a society that is unjust and discriminatory.

The policy is the creation of the Government, legislated into being deliberately, supported by regulations where it was seen to be failing and enforced with all the rigour of the law.

This policy is the greatest political failure in the history of Western democracy. Not one of its major objectives has been attained.

It is quite apparent that white society cannot survive in its present form, nor can the Government survive in its present form.

If white society is to survive in any recognisable form it urgently needs to be associated with black, coloured and Indian groups which will assist in dismantling and normalising South African life.

To ask the Nationalist Government to do this is like asking the elephant to turn his trunk inside out and blow water out of his tail.

The critical need of this moment is for a party of national reconciliation which will allow all groups to act together for election purposes.

Without the ability to draw on the experience and expertise of other political parties any black moderate party will be a sitting duck for the UDF and ANC alliance.

Such an election is of cardinal importance to South Africa for only it can give government, a new government of which blacks are a part, the credibility which will allow it to stamp out the unrest which is becoming endemic in black townships.

This unrest is outside normal politics and is, in fact, the greatest stumbling block in the way of legitimate black political expression.

The inclusion of blacks in Parliament would be a fundamental watershed in South African politics. The New Republic Party has since 1977 proposed a four-chamber Parliament.

Such a step is fundamental to normalising group relations in South Africa. Only in Parliament are all men equal. Only in Parliament can negotiations between equals take place.

The inclusion of blacks in Parliament is the key to the New South Africa. The Official Opposition has up to now refused to accept the concept of blacks sitting in Parliament as representative of the black group.

I believe this to be the only way in which Parliament can become what it should have been in the very beginning, the forum for debate on a new constitution.

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CSO: 3400/1212

SOUTH AFRICA

CONTROVERSY OF SALARY RAISES FOR PARLIAMENTARIANS CONTINUES

Johannesburg SUNDAY TIMES in English 2 Mar 86 p 15

[Article by Norman West]

[Text] **SOUTH AFRICAN parliamentarians are in a dilemma — the economic shoe is pinching, but they dare not accept big pay increases for fear of the public reaction.**

On parliamentary benches there is now open talk of some MPs quitting because of their inability to come out on their salaries and allowances. In one case an MP is reported to have put his farm in hock to remain in Parliament.

A crisis in public representation is now looming.

Some parliamentarians have warned that unless pay scales are dramatically increased, as recommended by the Schlebusch Report, Parliament could become a playground of the rich or a refuge for the no-hopers.

This week an independent group of consultants recommended massive pay rises for Ministers and parliamentarians to bring them into line with private sector pay. A Minister's pay, for example, would increase from R78 000 a year to R144 000 and an MP from R43 000 to R69 000 a year.

But it is clear that the Government — scared of an outraged public's reaction — will probably peg increases to 10 per cent this year.

In Parliament there is now talk that some MPs will have to leave. One MP said it was costing him hundreds of rands a month to serve in Parliament, quite apart from what he could earn in the private sector. Another is reported to be slipping into the red at R1 000 a month.

POOR ME!

AN MP dependent on his income as a legislator provides what he calls a conservative budget of annual expenses incurred in doing his job as a public representative.

Accommodation.....	R9 000 pa
Depreciation	R1 500 pa
R30 a day S & T away from home ..	R3 600 pa
Second non-subsidised car for home	R1 800 pa
Telephone calls.....	R300 pa
Office accommodation in	
constituency	R1 200 pa
Secretarial services out of session..	R2 100 pa
Travel to political meetings etc	R1 200 pa
Excess on free air travel	R1 200 pa
Attending seminars	R1 000 pa
Newspapers etc.....	R720 pa
Entertainment.....	R3 000 pa
Donations to funds.....	R300 pa
One overseas visit for orientation..	R10 000 pa
Election contingency fund.....	R1 000 pa
TOTAL	R39 220 pa
MP's income after tax (plus allowance)	R37 800
Annual deficit.....	R1 420

Debts

And a third MP is putting his farm on the market to wipe out accumulated debts of R200 000 during years of service in Parliament.

An increasingly strong lobby is now coming to the fore demanding better pay and, more important, the recommended R10 000 a year secretarial allowance aimed at giving support services to MPs.

MPs privately insisted this week that, even compared to the civil service, they are badly treated: no merit increases, no promotional increases and no 13th cheques.

But critics charge the situation is not that simple. While some MPs are extremely hard-working, there are others who regard Parliament as a sinecure.

The peculiar structure of the parliamentary process also means that the three different Houses work a de-

scending scale of sitting hours which places more of a burden on MPs in the one House.

Also, they claim, some MPs pay no attention to their constituencies and are, in fact, completely isolated from them.

In statements this week, party caucuses reflected the sensitivity of MPs to public outrage over the salary hikes by cautioning the Government not to implement the increases — ranging from 52 percent to 108 percent — in the present economic climate.

Withheld

The State President, Mr P W Botha, late this week stepped in and announced that the proposed increases would be held back — much to the relief of most MPs who have already suffered harsh criticism from community spokesmen and civic leaders who believe the huge increase for MPs is unjustified.

Mr Botha's intervention is seen as a move to subdue the public outcry.

He said in a statement that "major deficiencies" in the pay of MPs should be "rectified as soon as possible, in phases if necessary".

He said it was "impossible, and in any event not justified, to react to the recommendations contained in the report in a hasty and superficial manner."

"Apart from the any other consideration, the state of the economy is a crucial factor in the implementation of the report or any part thereof."

He invited all political parties to make their recommendations to the Special Cabinet Committee dealing with the matter, and undertook to announce the Government's decision "as soon as possible".

One Cape Town city councillor, Mr Sam Gross, this week questioned the claim that MPs' workloads had increased to the extent that they deserved the massive increases.

Comparison

He argued that, in comparison to the aggregate salary and allowance of R43 000, plus other privileges MPs enjoyed at present, city councillors received about R8 000 a year (taxable) and were involved in council work under statutory obligation for the entire year.

Many city councillors had, in many cases, the same or better backgrounds of business or professional skills than MPs, said Mr Gross.

Mr Norman Daniels, general secretary of the Textile Workers Industrial Union, said yesterday if the cost of the tricameral Parliament and its rejection by the majority of the people was considered, "the recommendations certainly add insult to injury".

/12828

CSO: 3400/1264

31 March 1986

SOUTH AFRICA

MPS FEAR PUBLIC OUTCRY OVER PROPOSED PAY INCREASES

Increases of 42%-106% Suggested

Johannesburg THE SUNDAY STAR in English 2 Mar 86 p 15

[Article by Carol Lazar]

[Text]

THE commission of inquiry into salaries and services for parliamentarians, headed by former Deputy State President Mr Alwyn Schlebusch, recommended that parliamentarians should receive pay increases ranging from 42 percent for MPs to 106 percent for Cabinet Ministers.

Debate rages about the proposed increases.

Mr IB Ravmsborg of Hay Management Consultants, the firm engaged by the Government to undertake the salaries survey, supports the proposed parliamentary increases.

"Public sector, private sector and government jobs were compared. When dealing with variety you have to find a common denominator. Know-how, problem solving and accountability are used in all jobs. These criteria were used to decide parliamentarians pay."

The Hay organisation works for several governments — the United States, Canada, Britain, South Africa and others.

Said Mr Ravmsborg: "The

private sector determines salary scales. To attract the right people to Parliament, salaries have to be in line with the private and public sector."

Several parliamentarians have secondary jobs or business interests which afford them extra income. Mr Ravmsborg maintains they "moonlight" because they cannot make out on the present low salaries they earn.

Ms Jane Ashburner of PE Corporate Services which recently conducted a salary survey among 436 companies, said: "If the Government wants to equate public service salaries with private sector salaries then salary rating in the public sector should be based on performance appraisals as in the private sector."

"No company could bear a 100 percent increase at the level proposed by the commission. Parliamentarians should keep their salaries market-related by the year."

"Salary scales in the private sector are based on high achievement needs and low se-

curity needs. The public sector is exactly the opposite. There we are talking about low achievement and high security needs."

"In a Western democracy, your parliament is accountable to the public. This Government and the public sector are accountable to nobody."

"The civil service in this country is protected employment and the reason civil servants feel threatened by blacks is that they are ill-educated and ill-equipped to enter the open job market."

The new levels of pay recommended by the commission are as follows: The State President's salary of R109 000 a year should be increased to R130 000. This salary is entirely tax-free. His basic allowance for expenses would be increased from R25 000 to R29 688 a year.

Cabinet Ministers and Own Affairs Ministers would receive R121 500 a year — more than double the R59 000 now paid. Their basic allowances

would increase from R19 000 to R22 560 a year.

Deputy Ministers would receive R77 400 instead of R45 000 a year and their basic allowances would be R22 560.

Members of Parliament and the President's Council would be paid R49 800 instead of their present R27 000, with a basic allowance of R19 000 a year.

These salaries, other than that of the State President, are subject to tax.

Parliamentarians do not need academic or other qualifications.

It is interesting to compare the proposed parliamentary salary scales with those of academics at a university.

The Deputy Registrar of Academic Staffing at Wits University, Mr Rob Hofmeyr, supplied the following figures:

A clinical professor (such as a heart transplant professor) earns R50 632 a year. He may earn an extra R8 000 for overtime. He has no extra perks such as motor cars or travel allowances and all his earnings are taxable.

The academic staff at the University of the Witwatersrand have no extra perks or al-

lowances and all salaries are fully taxable.

A campus professor earns from R40 962 to R42 446. A professor does have the right to do a little consulting work for his own account.

Most associate professors earn R34 071, with a few earning R36 684.

A professor has to have a minimum qualification of a PhD, a distinguished academic career and a substantial body of original research published.

Every professor appointed at the university undergoes the scrutiny of a high-level committee before being appointed.

His duties involve teaching, preparation, marking, administration and he is expected to be involved in on-going scholarly achievements plus publishing in journals of international standing.

Senior lecturers earn from R31 456 to R32 763 and most lecturers earn R27 648 — a few earn R28 889 — while junior lecturers earn up to R17 268.

Mr Hofmeyr points out that associate professors come up

the ranks by a tough promotion route — service, teaching and research.

The minimum qualification for a lecturer is a master's degree and that for a senior lecturer a master's degree or doctorate.

Unlike the large pensions granted to parliamentarians when they retire or resign, academics get virtually nothing unless they retire after at least 10 years service.

A salaries survey done by PE Consulting Group in March 1985 shows the following figures for the private sector:

A chief executive of a holding company with a turnover of R500 million or more with more than 7 500 employees would earn a complete package of about R200 000 a year. The amount includes all non-cash benefits and is taxable.

A chief executive of a smaller company earns R87 520; an assistant chief executive R72 070; an executive general manager R64 860; a finance executive R54 540; a financial administrative executive R52 530; a marketing executive R57 250; a sales executive R49 100; a personnel executive R49 860; a technical/research executive R57 560; a manufacturing executive R53 290; and a data-processing executive R49 170.

The weighted average for all executives is R61 030.

These figures are the average total salaries — basic salaries, annual standard bonuses, share options, director's fees and entertainment allowances of executives.

A study undertaken by the Southern African Society of Journalists of people in different age groups in different professions, revealed the following statistics.

In the 40-to-44 age group people in different professions were found to earn as follows: Medical practitioner R41 420 (public sector), R48 060 (private sector); teacher R22 140 (public sector) R21 000 (private sector); mechanical engineer R38 500 (public sector) R39 000 (private sector); journalist R24 533 (public and private sectors).

Harry Schwarz, PFP MP View

Johannesburg THE SUNDAY STAR in English 2 Mar 86 p 15

[Article by Kitt Katzin]

[Text]

VETERAN PFP finance spokesman Mr Harry Schwarz has disclosed the full extent of his salary and benefits as a Member of Parliament. If anything, it shows South Africa's parliamentarians, as opposed to Cabinet Ministers and top-level Government officials, are generally underpaid.

Mr Schwarz was asked to reveal his personal income as an MP in the light of the massive increases recommended for Cabinet Ministers, Members of Parliament and others.

He said the public elected him and paid him to do his job in Parliament and it was entitled to know about his pay package.

Mr Schwarz, after 12 years in Parliament and 16 years as a Provincial Councillor, and as a "shadow" finance minister who has taken on three successive Ministers of Finance, today earns a modest R43 000 a year. Or R3 600 a month.

For most of that time, his income was considerably less than R43 000 and, even now, if he were to be paid R68 000 as an MP, as proposed by the Schlebusch Commission, he could not make up the leeway — not financially or materially, nor in terms of comparable retirement or long-service benefits.

Mr Schwarz's Yeoville constituency may have lost his services years ago if he had been dependent only on a parliamentary salary. Like many fellow MPs today — on all sides — and particularly younger members, who have no private sources of income, Mr Schwarz may also have struggled to survive financially.

He says the fact that he earns an income as a lawyer, a director of companies or as an investor, is irrelevant. An MP's contribution, he believes, must be assessed independently. Since his job is fulltime, he should be remunerated on the same basis.

Mr Schwarz provided this personal breakdown:

Basic annual salary — R27 000. Allowance — R16 000 (total: R43 000). Salary taxable (normal rate), and is added to private income for overall tax liability.

Allowance taxable if not spent on specified parliamentary

duties — and, if so, full details must be submitted. It has to cover secretarial fees, accommodation and travel expenses on party business and costs for constituency business. No claims are paid for expenses exceeding R16 000 and, if the full sum is not spent, the balance is taxable.

If the basic R27 000 is added to private income, and places MPs in higher tax brackets, applicable and not lower or concessionary tax rates apply. An MP is taxed on the same basis as the public.

Travel benefits: Mr Schwarz says he is entitled to buy a car (maximum ceiling R25 000) and repay it over four years. It is taxable in terms of fringe benefits legislation.

The scheme is identical to that of the public service, though terms may differ slightly among individual MPs. If, in his case, said Mr Schwarz, he chose not to buy a car, he would be paid only R160 month as a travel allowance.

In addition, he is entitled to 36 free single tickets on SAA each year to any part of the country (or nine return tickets if his wife accompanies him), two tickets for each of his children (to Cape Town only) and a free first-class rail warrant. MPs travel thousands of kilometres yearly on parliamentary or party business. Many are separated from their families for months while in Cape Town.

Telephone bills: Local calls (from Parliament only) are free and mainline calls, even out of Parliament, must be paid for privately — except for 30 minutes a week, which is free.

Postage: free for official business only.

MPs receive no meals, entertainment or holiday allowances, or a 13th or bonus cheque. Many MPs with no additional income are compelled to live in the parliamentary village — where conditions have been described as embarrassing — for rentals of R180 upwards.

For serving on commissions

while Parliament is in session, MPs receive no extra pay and only R12 a day, and R40 a day for accommodation and other expenses when it is not sitting. MPs are not paid for time spent on research for speeches and debates. All earn the same salary and allowance, irrespective of experience, service or seniority within party ranks.

MPs must have 7½ years service before they qualify for pension benefits. This means, since most, according to surveys, have a parliamentary lifespan of only seven years, many are blown out with no pension payments.

After 15 consecutive years of

service, an MP qualifies for a gratuity, equal to twice that of his annual salary, but is not permitted to commute a third of the pension to cash as are private individuals — and up to R60 000 tax free. MPs also contribute out of their own pockets to party expenses, fund-raising projects, secretarial expenses, entertainment and caucus expenses.

Most would welcome a 10-percent increase (an extra R4 300) which, they say, would be in keeping with the civil service hikes, and do not anticipate being paid R68 000 as recommended until the economic climate improves.

Johannesburg THE SUNDAY STAR in English 2 Mar 86 p 15

[Article by David Breier]

[Text] Mr Koos van der Merwe, the Conservative Party MP for Jeppe, has begun moonlighting as an attorney in order to make ends meet. He says that as an MP he loses about R2,000 a month.

He says his total income as an MP, including all allowances, is about R3,000 a month net after deductions. His total monthly spending, including two households are keeping his three children in hostels, is about R5,000.

But despite all this, he opposes the massive pay rises proposed for parliamentarians in the present recession.

Despite all the challenges, I enjoy the work. It's lekker. "I think MP's earn their money and definitely need it. But until the economy improves, it is better to suffer in silence. I am not prepared to get more than the public service. Let's all suffer together," he said.

Mr Van der Merwe (48) practised as an attorney for 15 years before he went to Parliament nine years ago. "For the past few months I have begun practising as an attorney again because my expenses as an MP are greater than my income," he said.

As an up-country MP, he says he is obliged to return home (he lives in Alberton near Johannesburg) from Cape Town every weekend during the parliamentary session to see to constituency matters.

This means he has to keep his home in Alberton empty during the week except for a servant who looks after it. In Cape Town he lives in the Government "compound" as Acacia Park where the extremely modest houses are let for R100 a month.

Because of his unsettled home life, his three children stay in hostels in Johannesburg. Acacia Park has a primary school but no high school. His eldest son is at the Rand

Afrikaans University, while his two high-school children stay in residence at Helpmekaar.

The total cost in residence fees is R1 000 a month, he says.

An MP has 36 free single air tickets a year. But Mr Van der Merwe says these are used by his wife and children. He has to pay for his weekly flights to Johannesburg himself. As an MP he pays only 20 percent. He says he pays R84 a return flight totalling about R336 a month in air fares.

He says he spends about R500 a month on petrol alone on constituency business. His monthly phone bill, mostly due to his work as an MP, comes to R350.

Mr Van der Merwe says his total insurance bill including his car bought from a Government loan as well as insuring his life and belongings, comes to R775 a month.

This already puts his expenses at R3 000 a month, the same as his parliamentary income — "and we haven't even started to eat yet".

He pays his wife R1 000 monthly for living expenses including groceries. "In practice we find we lose about R2 000 a month," he said.

How does an MP like Mr Van der Merwe spend his time?

He says his day, during the parliamentary session, in Cape Town begins in the early hours

at about 5 am or 6 am when he starts receiving calls from his constituency.

Problems include anything from unemployed constituents to those complaining about coloured or Indian people moving into his constituency (Mr Van der Merwe as a CP member takes a hard line on apartheid).

He telephones his children in Johannesburg and then catches the official bus to Parliament at 8.15 am and arrives at about 9 am.

He normally takes part in party study groups, notably on defence — he is defence spokesman — and constitutional affairs and attends party

caucus meetings.

For the rest of the morning he receives visitors — MPs often have foreign visitors referred to them by the Government — or takes part in official visits as well as dealing with constituency matters.

He has lunch at 12.30 pm and sits in Parliament from 2.15 pm to 6.30 pm on most days.

He arrives back at Acacia Park at 7 pm, plays tennis: "I used to be a boxer so I like to keep fit."

After 8.30 pm he catches up with correspondence, telephones his constituency and receives calls.

He is also studying for his Master's degree in political science at Unisa and studies until midnight when he calls it a day.

When Mr Van der Merwe is at home in Alberton either during the session or after it, his day is flexible, depending on how many people come to his home on constituency matters and how much he has to travel on constituency and party business.

He addresses many meetings and is out just about every night on some party or constituency matter. He also finds time to study and to practise his legal profession.

Quality of MPs Questioned

Johannesburg THE SUNDAY STAR in English 2 Mar 86 p 15

[Article by David Breier]

[Text] THE quality of some of South Africa's parliamentarians is so low that they would struggle to find a job if they lost their seats. Some were described this week as "virtually unemployable" outside of Parliament.

These are the people now deciding on the country's laws in one of the most critical times in the country's history.

They would stand to profit from massive pay increases proposed to the Government this week. But in the long term higher pay for MPs would attract a better calibre of candidate in future elections, sources say.

Parliamentary salaries are high by most peoples' standards but MPs' expenses are in many instances so high as to negate the benefit, according to politicians.

Political sources say the effect of the backlog in MPs' salaries which has developed over a number of years has lowered the quality of some rank-and-file MPs elected to Parliament in recent years.

This applies to all three houses of Parliament.

Highly qualified people considering a political career have turned it down when they discovered that in many instances their total expenses would be higher than their parliamentary income.

Many MPs still follow their own professions on the side especially in the parliamentary recess, depriving their constituents of their full attention.

Other MPs have independent means and quite a few are multi-millionaires in their own right.

But MPs who depend on their salaries entirely often have to cut costs to survive, reducing their effectiveness as public representatives.

Members of the Schlebusch Committee which this week recommended massive increases for parliamentarians, have stressed the need to attract the best minds to Parliament. But they have stopped short of discussing the calibre of certain MPs now in Parliament.

MPs at the moment earn R43 000 a year not counting transport subsidies. The proposal is that this be increased to R78 000 including a new secretarial allowance.

The present salary is attractive for MPs who represent Cape seats and therefore do not have to keep two households and make special arrangements for their families and to visit their up-country constituencies.

It is also attractive for "lazy" MPs who do the minimum of constituency work and keep their costs to a minimum.

But for conscientious up-country MPs who keep two households and regularly visit their constituencies, the present salary is so poor that a number of them say their bank overdrafts are increasing by R1 000 monthly. Some are even considering leaving Parliament as they find they cannot afford to stay.

The great fear is that unless major increases are granted, MPs will tend to be either the wealthy with enough income of their own to afford the extra parliamentary expenses, or political "deadwood" who have no other meaningful careers and see Parliament as the most lucrative option available to them.

One MP has calculated that his basic parliamentary expenses to enable him to do a

proper job, including research, are R37 800 a year. That does not count his family's ordinary household expenses.

He said that he had been forced to cut his parliamentary expenses to about R25 000 a year. This meant he could attend no conferences or symposia and had to cancel all overseas research trips. He even cut down on the number of newspapers and magazines he read and is down to taking any discarded newspaper he finds.

"I have had to scale down my expenses considerably in order to make ends meet," he said.

The proposals on parliamentarians' salaries which in some instances amount to as much as 108 percent, have raised a massive public outcry especially from civil servants who will receive only 10 percent.

While the increases are being examined by a Cabinet committee, they are unlikely to be accepted at this stage because of the economic climate and public reaction.

However it is regarded as vital that they go through before the next General Election in order to attract better-quality candidates.

ANGLICAN CHURCH'S INVOLVEMENT IN POLITICS INVITES OPPOSITION

Johannesburg SUNDAY TIMES in English 2 Mar 86 p 7

[Article by Cas St Leger]

[Text]

A MODERATE backlash against Anglican church involvement in politics has won substantial all-race support in East Griqualand.

About 12 000 black, white and coloured parishioners of the Church of the Province of Southern Africa in East Griqualand — and church officials including rectors and wardens — have dissociated themselves from church leaders who supported the African National Congress and called for disinvestment and sanctions against South Africa.

In a statement approved by both deaneries of the Archdeaconery of East Griqualand, and supported by Bishop Jacob Dlamini of Swartberg, it was unanimously agreed that the participants:

Reforms

- Dissociate themselves from support of the African National Congress and any other organisation advocating violence, boycotts and sanctions.

- Oppose the oppression or domination of one racial group over another and favour speedy reforms in South Africa by peaceful means.

- Oppose violence in achieving this aim and disinvestment, boycotts and sanctions as this would lead only to violence and suffering.

"I am all in favour of it (the statement)," said Bishop Dlamini. He did not name the church leaders parishioners were reacting to, but said he believed Bishop Desmond Tutu of Johannesburg was not the target.

The parishioners' stance was first mentioned at a meeting at the Parish Hall, Kokstad, on January 23 and, after a series of meetings, was finalised a fortnight ago by members of the Holy Trinity Church, Kokstad; St Stephen's Church, Matatiele; St Mary's Church, Cedarville; and St Luke's and St John's churches, Swartberg.

East Griqualand's rural dean, the Very Rev Michael Lindsay-Parkinson, said congregations in all four parishes had been asked to vote and had reached consensus.

"There was no dissention, though we had expected some," Dean Lindsay-Parkinson said.

He said the motivation for the statement was a falling-off in church membership — especially white — after certain church leaders "in the limelight" had become involved in political issues and had espoused violence or said it was inevitable — though he would not name those responsible.

"They should make it quite clear when they are speaking on behalf of the church, and when they are expressing their personal opinions," he said.

He said he had been gladdened that black congregations in particular had lent their full support to the statement, which is now being sent to the Archbishop of Cape Town, the Most Rev Philip Russell, for his reaction.

The Archbishop's office said the statement had not yet been received and would therefore make no comment.

Debate

The church's liaison man in Johannesburg, Bishop John Carter, said: "My experience has been that it is easier to communicate outside South Africa than inside, and any communication is to be welcomed."

"This statement by a number of Anglicans in East Griqualand can be seen as a contribution to continuing debate and discussion between Christian people in Southern Africa. The important thing, I think, is that we should be in dialogue with one another on these vital matters which concern us all."

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CSO: 3400/1265

SOUTH AFRICA

EAST LONDON CONFRONTS GOVERNMENT OVER GROUP AREAS ACT

Johannesburg SUNDAY TIMES in English 2 Mar 86 p 5

[Article by Jeremy McCabe]

[Text]

THE "Fighting Port" — as East London is known — appears to be on a collision course with the Government over the Group Areas Act.

This week, the East London City Council is believed to have taken a far-reaching decision — behind closed doors — to open the city's residential areas to all race groups.

Liberal members of the council narrowly won the decision in the absence of two conservative councillors, it is believed.

The Press and the public were barred when the council went to committee to discuss the explosive issue.

And councillors are bound by a provincial ordinance not to divulge what decision was taken.

However, a buoyant mood among liberal councillors after the meeting seemed to indicate that the council had voted in favour of throwing residential areas open — in defiance of the Government and its commitment to the Group Areas Act.

One of the issues for discussion at the council meeting was a request from the local Indian Management Committee that the council open certain areas of the city to all race groups to alleviate a housing shortage in the Indian areas.

Unfair

It is believed that this request was turned down but that an alternative proposal made during the meeting by liberal councillors — for the opening of all the city's residential areas — was accepted.

"On two previous occasions, the IMC had asked for the opening of all areas to all race groups and been turned down," said liberal councillor Mr Donald Card, who is also chairman of the council's Action Committee.

"This time it came up with a recommendation that only certain areas be opened. But I could never go along with the opening to all races of only a particular area. It would not be fair to the people who live there.

Secrecy

"As a result of that, a decision was taken. You can deduce from that what you want."

Mr Card, who criticised the decision to discuss the issue in secret, intimated that he was satisfied with the decision taken.

He said he had seconded a motion by Mr Errol Spring that the matter be discussed in the open but the rest of the council had voted in favour of

an in-committee discussion.
"It was stupid. Nowhere else in the world would this sort of thing be hushed up. Even Port Elizabeth discussed its beach apartheid issue in open council."

Opposed

Mayor Joe Yazbek, known to support the Progressive Federal Party, also expressed pleasure at the outcome of the meeting.

He said he hoped the council's decision would be made public soon.

It is believed that the council's shock decision will now have to be forwarded to the Administrator of the Cape, Mr Eugene Louw, who will almost certainly refer the matter to the Government.

Veteran councillor Mr Robbie de Lange, regarded as a staunch NP supporter, strongly criticised "certain elements" for introducing "too much politics" into council.

"I am not in favour of the opening of residential areas — they are jumping the gun," he said.

"The matter is being given

attention at Government level.

"What we are doing here is putting words in the mouths of people of other race groups.

"They are making a political football of the issue," Mr de Lange said.

The Nationalist Party MPC for East London City, Mrs Elsabe Kemp, said from Cape Town that the council had no right to decide to open residential areas.

"In principle they can — but such a decision has no teeth," she said.

"The Government has spelled out clearly its feelings on the matter of separate residential areas.

"There's nothing the council can do unless it openly defies the Government."

Follow-up

Mrs Kemp hinted that the Cape Provincial Council would next week debate legislation giving the Administrator greater powers in dealing with town and city councils which broke the law.

Now the fur is expected to fly at tomorrow night's Action Committee meeting.

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CSO: 3400/1265

SOUTH AFRICA

EAST LONDON'S SECRET DECISION OVER GROUP AREAS ACT EXAMINED

Johannesburg THE STAR in English 8 Mar 86 p 8

[Article by David Braun]

[Text]

East London this week became the country's first city to ask to be slipped of the bonds of the Group Areas Act.

In terms of a city council (initially secret) decision, the Cape Administrator, Mr Gene Louw, was to be asked to decide on its recommendation that anyone from any race group could live, work or go to school in any section of the town.

Durban also took the plunge, with the management committee recommending the opening of Block AK, an area near Greyville racecourse, as a mixed residential zone.

East London was quick to assure that its decision announced publicly once details had leaked to the Press, was not to defy the Government. All that the council had done was to make a recommendation said one councillor. It was up to the Administrator to decide.

What was not mentioned was why the city, traditionally a Nationalist stronghold, should make such an extraordinary (by its lights) decision.

POLITICAL TRAUMA

Could it be that the city has been particularly hard-hit by the political trauma of the region, particularly the consumer boycotts and other industrial action?

Of course, it is not Government policy that residential areas and schools be mixed, and it is not for local authorities to decide otherwise.

Yet the Government has been strangely mute about the plans mooted by Durban and East London this week.

Inside sources say this is because the whole question of mixed or "grey" areas is extremely sensitive.

Besides, they point out, town councils may recommend a change in policy, but they have no power to do anything to give their decisions effect.

The reason why the subject is so sensitive is that President Botha has publicly decreed that as long as he is running the country there will not be a departure from the principles of separate schools and residential areas for the different population groups.

Yet there are Nationalists who believe that these are not principles and that the Group Areas Act, which enshrines them is dispensable.

At the very least, they believe, people should have a choice of living in grey areas.

Grey areas are, in fact, not new in South Africa. Most major cities have at least one suburb where whites and people of colour live next to each other.

In Johannesburg there are Mayfair, Hillbrow and certain other areas near the city centre.

GREY AREAS

In Cape Town there is Woodstock, while Durban and Port Elizabeth have their own grey areas.

None of these areas is legally integrated, but the authorities turn a blind eye.

What else is there to do when there are such massive housing shortages for the majority of South Africa's population.

The first legal grey areas may come sooner than is generally expected, if the coloured and Indian "own affairs" administrations decide to open the regions under their jurisdiction to all races.

Leaders in the House of Representatives and the House of Delegates have already opened many of the educational institutions under their control to all race groups on an equal basis.

If one includes the independent homelands of Transkei, Bophuthatswana, Ciskei and Venda, then these are large regions of the country where the Group Areas Act simply does not apply.

All things considered it would seem that in the long run the Government has no more hope of maintaining pure group areas than a sand castle has of holding off the sea.

The betting in Cape Town is that grey areas will be here officially within two years and group areas will be gone within five.

The Government is likely to off-load the problem by transferring the onus to local authorities to decide whether they want to be open (like East London) or closed (presumably like Pietersburg).

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CSO: 3400/1265

SOUTH AFRICA

BRIEFS

DIAKONIA BLAMES LAND ACTS--The non-denominational Diakonia church agency has distributed 20,000 leaflets in which it says the fundamental reasons for the recent devastating faction fighting on the Natal South Coast are the Land Act and the Government's homelands policies. The leaflets, in Zulu and English, give a brief account of the clashes since November, with tensions building up into mass fighting that claimed about 120 lives and left about 20,000 homeless near Amanzimtoti. The leaflet says the long-term causes are the Land Act, which forces over 80 percent of the people into 13 percent of the land, and the homelands' policies, which promote tribal conflict. Entitled Fighting for a Place to Live, the leaflet has been distributed mainly to member churches of Diakonia. It calls on people to persuade their church councils or groups to write to Cabinet Minister Gerrit Viljoen expressing concern about the faction fighting and urging that adequate family accommodation and facilities be provided for all. The leaflet also suggests that when people offer racist explanations for the conflict, they should be challenged to think more deeply about the real causes. In an effort to achieve more effective co-operation among churches in crisis situations such as the faction fighting and last year's Inanda violence, Diakonia has invited Durban clergy to a special workshop today at St Thomas's Church in Durban. [Text] [Durban THE DAILY NEWS in English 20 Feb 86 p 6] /12851

COSATU TO REMEMBER JUNE 16--Cosatu will participate actively in the June 16 commemoration with other progressive organisations, the federation's central executive committee decided at the weekend. Cosatu officials said the federation realised June 16 symbolises the sacrifices of "our people in the struggle for liberation", and would participate fully when the day is commemorated. It decided the 500,000-strong worker body should demand June 16 and May Day as paid holidays. "We should be prepared to sacrifice racist political holidays if necessary -- workers have no interest in public holidays such as Republic Day, Kruger Day, Founders' Day and the Day of the Covenant," they said. This year is the 100th anniversary of the celebration of May 1 as international workers' day. --Cosatu is also continuing its boycott of the Johannesburg centenary celebrations. Workers were asked to bear in mind the 1946 mineworkers strike and the 1980 Johannesburg municipal workers strike. [Text] [Johannesburg CITY PRESS in English 16 Feb 86 p 5] /12851

COSATU'S NEW NEC--Cosatu's national executive committee has been enlarged to include four more members. The new members are: Daniel Dube (National Automobile and Allied Workers' Union), John Ahrendson (Cape Town Municipal Workers' Association), Jerry Ntombela (Transport and General Workers' Union), and Lizzie Phike (Food and Canning Workers' Union). [Text] [Johannesburg CITY PRESS in English 16 Feb 86 p 5] /12851

SOUTH AFRICA

MAXIMUM INTEREST ON LOANS REDUCED SUBSTANTIALY

Johannesburg BUSINESS DAY in English 11 Feb 86 pp 1, 2

[Article by Chris Cairncross and John Tilston: "Govt Acts to Force Down Cost of Loans"]

[Text] **MAXIMUM** interest rates on loans are being reduced substantially from today.

This is partly to force down the cost of borrowing.

The reductions were announced by Finance Minister Barend du Plessis in the House of Assembly yesterday.

He said in his mini-Budget speech the maximum rate would be 29% (previously 32%) for money-lending, credit, hire purchase and leasing transactions of R2 500 or less, and 24% (30%) for transactions of more than R2 500.

Transactions involving more than R50 000 have been excluded from the provisions of the Financial Charges Amendment Act, previously known as Ladofca. The distinction between money-lending and other forms of credit has been scrapped.

Du Plessis said the step had been taken in accordance with the decline in interest rates and in order to force a general rate cut by all institutions, some of which had been slow to make the necessary adjustments.

Commercial bankers in Johannesburg said the ceiling cuts, which had been expected, were in line with the general trend in short-term interest rates. Very few customers were being charged rates above the new ceilings, they said.

General banks, which do a lot of hire purchase and leasing business where rates for the man-in-the-street are much higher than the prime overdraft rate, said the cuts had been discounted.

A banker said: "Many traders will be hit by a significant cut in their so-called kick-back." Traders often charge the ceiling rate, or close to it, and then write the business with a bank at a more mar-

ket-related rate. The difference goes into the traders' pockets.

Furniture Traders' Association president Sidney Ellerine said the effect would not be too bad because dealers had had the benefit of a few months of lower interest rates, implying that margins had been high.

No figures are available on the number of people who could benefit from the rate cuts. One banker said that a few years ago 85% of hire-purchase deals were done with traders who passed the business to general banks. But the high interest rates of the last two years had taught consumers lessons about interest rates and an increasing number had been approaching banks directly for finance.

Du Plessis said government hoped that the development would encourage consumption expenditure, fuelling a new growth phase.

General Motors financial director Dave Sneesby did not foresee any immediate effect on car sales. Dealers had already been discounting to the rates, he said.

Bankers had been lobbying for the lowering of the previous level of R100 000 as the cut-off point. The level of R50 000 was much more realistic, they said.

They said anyone who borrowed R50 000 knew what the score was and did not need to be protected by legislation.

One reservation voiced by bankers and some traders was that once the interest rate ceiling was lowered it tended to stay low beyond the point where it should be raised to accommodate higher interest rates. They expected a squeeze on margins once rates moved upwards again.

Du Plessis said that although the scope for new fiscal options to stimulate the

economy remained limited, the economy itself presented sufficient areas for renewed expansion.

He said overspending had been eliminated and the growth in money supply largely brought under control.

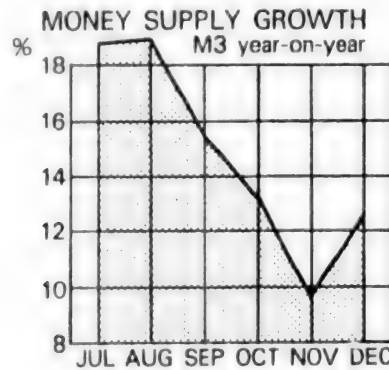
Interest rates had declined, the current account of the Balance of Payments had turned around drastically and the deficit before borrowing was lower.

Du Plessis warned that, although the emphasis in official economic policy remained on the selective promotion of

growth, two major constraints still suggested a need for caution.

The first concerned the high rate of inflation, which he attributed to the sharp depreciation of the rand after July.

Now that the rand had not only ceased to depreciate, but had shown an effective rise of about 20% against other currencies, Du Plessis said he believed the cost-push effects of the earlier depreciation should begin to diminish before long, with a corresponding decline in the consumer price index.



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CSO: 3400/1201

31 March 1986

SOUTH AFRICA

EMBATTLED PUTCO EXPECTS TO REDUCE ITS FLEET BY 10 PERCENT

Johannesburg SUNDAY TIMES (Business) in English 16 Feb 86 p 5

[Article by Ciaran Ryan]

[Text]

PUTCO expects to reduce its fleet by 10% this year. Its Dubiegon body- and coach-building factory at Brits has been closed in response to falling passenger loads.

Lower passenger volume and a R18.2-million foreign-currency debit accounted for a loss of R8.43-million after tax and finance charges in 1985.

The growing use of "illegal" black taxis is one of the main reasons for Putco's falling passenger volumes. Unemployment is another.

Convenience

Last year 118 buses were struck from the fleet. Passenger loads reached a high of almost 400-million in 1982, but fell to 323-million last year.

There is no sign of the trend abating. Black urban transport studies indicate that commuters prefer the convenience and relative comfort of minibuses in spite of higher fares.

The number of minibuses serving black communities is estimated at 80 000 -- only 20 000 are legal. The refusal of road transportation boards to grant licences has had little impact on the growth of commercial minibuses.

A development economist

told Business Times: "The taxi business is often the first point of entry for blacks into the economy and they should be encouraged rather than deterred by legislation."

Disastrous

A test case being fought on behalf of taxis in the Free State by the Free Market Foundation could result in thousands of minibus operators being decriminalised. The consequences for Putco could be disastrous.

The foundation argues that transportation boards are interpreting the Road Transportation Act incorrectly. At present the onus of proof is on the licence applicants to prove a need for the service.

The foundation says the onus should rest with the objectors.

Under the Act, objections are invited from the public each time a licence is sought. The result is that applications are routinely opposed regardless of the quality of an existing service.

Fuel subsidy

Roger van Niekerk, a director of the Free Market Foundation, says: "The fact that illegal minibus operators are prepared to risk a R300 fine each time they are caught carrying passengers indicates there is a strong need for their service."

Putco enjoys a fuel subsidy

from the Government and an undisclosed amount determined by passenger volume.

Mr van Niekerk says: "What is Putco doing in business if it is unable to make a profit? The transport industry needs to be deregulated so that Putco can compete on equal terms with minibuses."

Putco cannot increase fares whenever it likes. It must apply to the Government. Putco is heavily regulated in that it is obliged to operate specific routes and keep to a timetable.

It is also not allowed to travel through central business districts, but minibuses can.

Unrest

A spokesman says Putco has been trying for years to obtain permission from city councils to operate in the CBDs.

He says: "This hinders Putco in competing with the combi-taxis. They are not regulated, can raise or lower fares at will, and run wherever they want."

Putco is erroneously identified as a Government carrier and is a target for township rioters. Last year more than 4 500 buses were damaged in Transvaal township rioting.

Putco has about 3 200 buses, so some buses were damaged more than once. Putco insures itself for risks up to R10 000 a vehicle. There has been a major increase in insurance costs in recent years.

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CSO: 3400/1198

31 March 1986

SOUTH AFRICA

SATS UNIONS REJECT 10 PERCENT PAY RISE OFFER

Johannesburg BUSINESS DAY in English 17 Feb 86 p 1

[Article by Gerald Reilly]

[Text]

ANGRY leaders of 230 000 SA Transport Services workers passed a motion of no confidence in the Cabinet after a clash on Saturday with Transport Minister Hendrik Schoeman over pay increases.

Earlier at a meeting with Schoeman, the executive of the Federal Council of Sats Trade Unions rejected an offer of a 10% pay rise as totally unacceptable.

Pretoria sources say it is now certain the Cabinet has decided on a flat 10% pay increase for all public-sector workers — government and provincial staff, the Post Office, police, and prisons and SA Defence Force staff.

The pay deal will also meet with an angry reaction from public sector staff associations who had hoped for more after the two-year pay freeze.

Schoeman told the federal council the 30% cut in service bonuses would be restored in the new financial year.

When the meeting was told of the proposed 10% increase, the federal council

rose to leave, claiming there was nothing further to discuss. Schoeman called members back and tried to explain the Cabinet's attitude against a background of SA's serious financial difficulties.

After Saturday's meeting, federal council chairman Jimmy Zurich said decisions on Sats' increases were apparently being taken by Cabinet.

"In future, therefore, we will demand direct negotiations at Cabinet level as the Transport Minister obviously has no mandate to bargain and negotiate with his trade unions."

He said the 10% offer was an insult to all rail workers.

"We asked for 25% which would still have left a backlog when the huge increases in living costs over the past two years are taken into account."

Public Servants' Association president Colin Cameron told *Business Day* it appeared the rest of the public sector was also to get 10% increases.

/9317

CSO: 3400/1198

31 March 1986

SOUTH AFRICA

LOAN REPAYMENTS TO HIT EARNINGS, SURPLUS FACES EROSION

Johannesburg BUSINESS DAY in English 17 Feb 86 pp 1, 2

[Article by John Tilston]

[Excerpt] SOUTH AFRICA could face repayment of foreign loans worth as much as 75% of its record current-account surplus this year if it accepts the new-look Leutwiler repayment plan at Thursday's bankers' meeting.

Mediator Fritz Leutwiler has suggested that SA should repay 5% of its R13.4bn debt covered by the standstill in four quarterly instalments, starting in April. That means \$525m (R1.1bn) will have to be repaid this year.

No up-to-date official foreign-debt statistics have been calculated, and the Standstill Co-ordinating Committee is apparently still using the figure produced in October of total debt of R23.7bn, even though there have already been substantial repayments.

A senior State official would not comment last week on foreign-debt repayments, saying only that the matter was being treated as *sub judice* until after Thursday's meeting.

However, statistics published over the past few months give a guide to what will have to be repaid this year.

Public corporations such as Escom and SA Transport Services, whose

foreign loans are guaranteed by the State and are thus excluded largely from the standstill net, are due to repay loans totalling \$1.28bn (R2.8bn) this year.

Central-government debt totalling R179m was due to be repaid between September 1985 and the end of August this year. While some of this is likely to have been repaid already, another R184m is due to be repaid by August 1988. It seems likely that about \$75m (R170m) was due this calendar year.

SA has to repay its International Monetary Fund loan of \$800m (R1.68bn) in quarterly instalments over the next two years. Of the \$400m (R842m) due this year, the first \$100m (R210m) was repaid earlier this month.

These loans mean that, at the very minimum, \$2.19bn (R4.6bn) must be repaid to foreign creditors this year.

But there are two other areas of potential concern.

Total government non-marketable debt — that which is not in the form of bonds — was R3,023bn at the end of September.

The Reserve Bank has not released the maturity profile of this amount.

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CSO: 3400/1214

SOUTH AFRICA

PROFESSOR SAYS 10 MILLION NEW JOBS NEEDED BEFORE 2000

Johannesburg BUSINESS DAY in English 17 Feb 86 p 5

[Article by Lesley Lambert]

[Text]

TEN-million jobs need to be created before the year 2000 to accommodate new entrants into the job market and eliminate unemployment in SA, says Jill Nattrass, professor of Development Studies at Natal University.

With estimates of SA unemployment ranging between a conservative 500 000 to a more radical 4-million, it is crucial that resources be used to create as many jobs as possible, Nattrass says in a paper presented to the Economic Society of SA.

In trying to do so, "it may be necessary for the present economic philosophy of expansion to shift away from its emphasis on short-term profitability and the improvement of social conditions in SA."

Trade unions will have to face the dilemma of choosing between accepting wages that will generate more jobs and, therefore, more members, or higher wages for an existing, but reduced, membership.

Unemployment, coupled with inflation, has been a major contributor to intense dissatisfaction which has led to political unrest.

It is conservatively estimated that:

- ☐ Half a million South Africans are unsuccessfully seeking work;
- ☐ The black unemployment rate is roughly 9% of the male workforce and 16% of the female workforce.
- ☐ Another 1.5-million blacks are under-employed, with insufficient

income to keep them above the poverty datum line. This brings the total of unemployed and under-employed to 30% of the black workforce.

Most recent government figures on unemployment among whites, coloureds and Asians show a 99% increase from 37 021 in November 1984 to 73 575 in November last year. These figures do not fully represent the situation, because they account only for people eligible for the Unemployment Insurance Fund, but they do indicate the alarming trend in unemployment.

Its growth is the result of population growth rates, a slowing down in the rate of economic growth and an increasing tendency towards concentration and the use of more capital-intensive production methods, Nattrass says.

A number of conclusions have been drawn from the experience of developing countries over the past two decades, where the growth of unemployment and poverty have become rampant.

While economic growth is a prerequisite for significant job creation, it does not necessarily result in the creation of additional jobs.

Better results have been achieved with policies designed to remove the factors constraining job creation than with those aimed at the introduction of entirely new development programmes.

Stimulation of the informal sector by removing constraints is seen by some as one way of soothing the unemployment ache. But no consensus has been reached on the role of this sector.

One school believes that, if constraints — such as lack of capital, lack of access to existing marketing structures and unrealistic licensing requirements — are removed, a substantial portion of informal sector activities could develop into full-scale capitalist enterprises.

On the other hand, Marxist analysts hold out no hope for the ultimate development of the informal sector. They see it rather as a necessary low-income niche in the overall economic hierarchy which allows survival on a low wage, through the provision of low-cost housing, food and services.

Nattrass' own argument lies between these two views. She says while a large number of people who work in the informal sector do so because they have no alternative, some of today's successful small-scale industrial establishments were seeded originally in the informal sector.

As far as job creation in the urban areas is concerned, Nattrass sees the greatest potential in the implementation of policies designed to foster economic growth, based as far as possible on labour-using technology; and the development of small business sectors, including the informal sector.

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CSO: 3400/1198

SOUTH AFRICA

PROPERTY MARKET OPTIMISM SEEN IN JOHANNESBURG'S CBD

Johannesburg BUSINESS DAY in English 19 Feb 86 p 6

[Article by Gerald Leissner]

[Text] **D**ESPITE the seeming bleakness of the property market over the past few months, the larger than usual number of "To Let" signs and the relative quiet on the new building front, there is a strong current of faith which underpins the notion of property investment in SA. Nowhere is this more evident than in Johannesburg's CBD.

Consider that, in the Ampros portfolio alone, 45 000 m² of office accommodation has been added to the city centre in the form of Barnib House and 66 Sauer Street.

JCI House, completed last year, adds 21 000m², the Price-Forbes building a further 25 000m² and the AA Mutual Life building 29 000m² more. The Nedbank head office, with 21 000m², and the final phase of the Gold Fields building, which will total 30 000m², are scheduled for completion over the next 12 months.

On the drawing boards or in early construction are the Old Mutual development, which will contain 28 000m² of space, the Prudential Building on the site of the Colosseum, with 17 000m², and the massive Standard Bank development in Simmonds Street, phase one of which will total 51 000m².

At the end of this decade it is

quite possible that more than 500 000m² of office accommodation will have been added to the economic infrastructure of Johannesburg, in the CBD alone, during the Eighties.

This exponential development has not been confined to office accommodation. The new Johannesburg Sun Hotel, the largest in the southern hemisphere, has added 800 bedrooms to hotel space available in the city centre.

Shopping space in the CBD is also being increased with the construction of the Smal Street Mall, which will link the Carlton Centre with the Johannesburg Sun Hotel. The recent revamp of the Carlton Shopping Centre has ensured that shops there have kept pace with the needs of the times.

All this adds up to the gearing of the city for the future. Current economic gloom has not deterred developers from a sanguine view of the future.

Other developers should now be taking positions in strategic sites, on the premise that the economy has bottomed out. An anticipated 3% growth rate is sure to filter through to the property market.

As the economy firms there will be a need to increase employment. Additional employees need increased space. The oversupply of accommodation is like-

ly to be taken up by early 1988, which should see the establishment of an equilibrium between supply and demand of office space.

Rentals in better quality buildings will probably begin to firm in late 1987 and will start to rise appreciably by mid-1988. Buildings such as Southern Life Centre, Sanlamsentrum and the Carlton Centre, which are presently obtaining rentals around R13,50/m², should achieve R22/m², and lesser-priced buildings should rise in the same proportion.

It is also becoming apparent that two distinct cores are developing within the Johannesburg CBD: a financial district and a commercial district.

Traditionally, the stock exchange lies at the heart of the financial district in most major cities. It's not surprising that many of the head offices of financial, insurance and mining houses are located on the south-western side of the CBD near the site of the old Johannesburg Stock Exchange (JSE) building in Hollard Street.

Since the JSE has moved farther north to Diagonal Street, the financial heart of the city has been transplanted. Developments around the JSE building suggest that many institutions are follow-

ing the stock exchange, which will soon resume its position as the heart of the financial district.

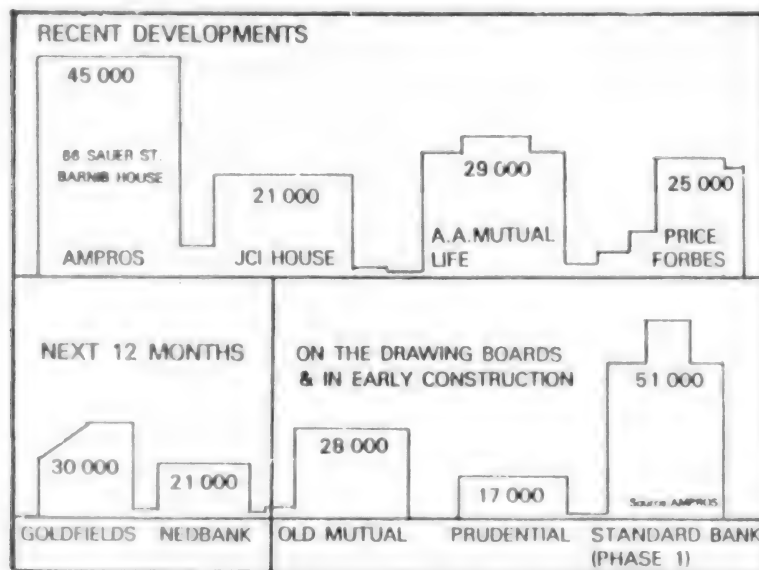
Very few of the tenants in the financial centre are candidates for relocation to the suburbs. All major financial institutions are tied to the CBD in that they either own their buildings or need to be in close physical proximity to other financial institutions.

This places a premium on the redevelopment of the power station site, which forms the next logical expansion of the financial city. It is essential that this site be utilised to maximum advantage to create a point of interest in the new financial city.

The second evolving core is consolidating itself on the eastern side of the CBD around the new Carlton Shopping Centre and the Smal Street Mall. The two developments, together with the many newly-revamped buildings in President Street, are very commercial in flavour.

The notion that upmarket shopping could only be done in suburban centres is being put to rest as an entirely new commercial trend develops in this area.

There is little doubt that, despite current uncertainties, Johannesburg is preparing to face its next 100 years with vigour.



OFFICE ACCOMMODATION IN JHB CBD (m²)

SOUTH AFRICA

18 PERCENT STATE SPENDING INCREASE FORECAST

Johannesburg BUSINESS DAY in English 24 Feb 86 pp 1, 2

[Article by Chris Cairncross]

[Text] STATE spending is expected to top R33bn for 1985/86, an increase of more than 18% over last year.

The outlook for next year is for an increase of another 15% to at least R38bn, and possibly as high as R40bn.

This means the deficit before borrowing is likely to be about R3,2bn, marginally less than 3% of gross domestic product (GDP) at current prices, says Sanlam chief economist Johann Louw.

The shortfall is in line with estimates provided by Treasury sources, but above original Budget expectations, which had placed the deficit at about R2,9bn.

According to Sanlam calculations, total revenue in the current financial year could exceed the revised budgetary estimates by about R1,1bn.

Part of this is derived from the 10% surcharge imposed on imports not affected by the General Agreement on Tariffs and Trade (Gatt), and expected to draw in an additional R400m.

Other higher receipts have come from the gold mines, where taxes have reaped revenue increases of up to 41%; from GST, where the increase has been about 38%; and from an improvement of about 28% in tax revenues from other mines and companies.

It is apparent government has not been able to tap the foreign capital market for loan funds and the area of more concentrated resort has been the domestic market.

It is evident the state's rate of spending is significantly faster than any growth in domestic economic activity.

The Part Appropriation Bills tabled in Parliament over the past two weeks — calling for total advances on the 1986/7 Budget of R27bn — illustrate the situation. Most allocations are for defence, constitutional development, education, housing and financing the short-term creation of jobs.

The implications are that Finance Minister Barend du Plessis will find it extremely difficult, if not impossible, to stem growth in government spending in next month's Budget.

As evidenced by last week's pay in-

creases for the public service, restraint is being exercised in this respect.

Nevertheless, the 10% pay increase comes after a year's standstill and represents an additional drain on state resources over 1986/7.

Du Plessis has committed himself to providing a mildly stimulatory Budget.

Expectations are that Du Plessis will be looking at total government expenditure of at least R38bn over the next financial year — a further growth factor of at least 15%.

Says Louw: "It has already been announced that the 7% temporary surcharge on personal income tax will be abolished and that the official interest rate at which fringe benefit tax on certain loans to employees now stands will be reduced.

"Together with the moderate salary and wage increases, this will prevent bracket creep from increasing personal income tax significantly."

To fund the the state's increasing demands, the strain will have to be taken up by the domestic capital market and by the individual.

It is estimated GST will probably yield about 17% more over the next year and that continued pressure will be exerted on company profits.

"Disposable incomes will come under tremendous pressure in the months ahead," warns Harry Schwarz, Progressive Federal Party finance spokesman.

Analysts reckon with government now having to tap the domestic capital market more heavily, the future does not bode well for long-term interest rates.

Cynically, perhaps, they believe the recent announcements by Escom of its gradual withdrawal from the domestic capital market are aimed at leaving a gap for a more intrusive state presence.

Economists predict that state revenue should amount to about R34bn at current tax rates for 1986/7. This, in turn, should bring the deficit before borrowing to about R4bn for the year, says Louw.

On the basis of past performance, government is likely to budget for a far greater shortfall.

SOUTH AFRICA

CONSUMER PRICES UNLIKELY TO DROP DESPITE LOWER FUEL PRICES

Johannesburg THE STAR in English 28 Feb 86 p 15

[Article by Colleen Ryan]

[Text]

Suppliers of most manufactured goods say they will not drop their prices in line with the lower cost of petrol because they do not regard fuel as a direct, major expense.

In a random survey, *The Star* asked several companies which have recently increased their prices whether there would be any reductions. Most spokesmen said fuel prices formed only a small, direct expense. However, indirectly, fuel prices affected their prices since this contributed to the high inflation rate.

Egg increase

Here is the background to some of the recent increases:

● Eggs recently increased by an average 6c a dozen. The chairman of the SA Poultry Association, Mr Manny Schormann, defended the price rise by saying higher fuel prices accounted for about 1c in the higher price.

Then what were the main factors which made the egg price rise necessary?

Higher packaging and feed costs, say the poultrymen.

The chairman of the Packers' Association, Mr Neil Malan, said packaging costs were unlikely to drop immediately

because of inflationary pressures.

Feed was the major expense involved and this product was also not likely to be reduced in price because of the high cost of local maize and imported fish meal, said Mr Malan.

Exchange rate

A spokesman for the Premier Group said that in spite of the improvement in the rand-dollar exchange rate, the price of imported fish meal would not drop immediately.

This would have no immediate effect as a six to eight week supply had been imported at the higher price, he said.

● Dairies also increased their prices by an average 6c a litre last month. A spokesman for a major dairy said the diesel price had only dropped 4,3c a litre and so no price adjustment could be made.

● Cleaning agents soared by more than 20 percent in 1985. The chief executive of Reckitt and Colman, Mr Graham Higgo, said: "When the petrol price went up in 1985 we did not increase prices."

The higher prices were a result of general inflationary pressures, such as higher wages and the rand-dollar exchange rate.

● The South African Transport Services is to increase tariffs in April. A Sats spokesman said the drop in fuel would have a "small effect" on costs.

● SA Breweries increased the price of beer by an average 8,4 percent this month. A spokesman said this increase was the company's annual price rise and was not a result of higher fuel prices. Fuel was not a major expense in the production of beer, he said.

● The price of some iron and steel goods increased this month. A spokesman for Iscor, Mr Piet du Plessis, said his group would save about R2 million in this financial year as a result of the lower fuel price. Fuel represented only 2 percent of input costs and so an immediate price drop was not likely.

But Housewives League president Mrs Joy Hurwitz is not satisfied with the reasons cited by suppliers for refusing to drop prices. She said consumers had grown weary of the endless inflationary increases which had been frequently blamed on the exchange rate and the fuel price.

"Prices will not drop unless consumers demand action and use their purchasing power to show they will not tolerate endless increases," she said.

Calculation of 93 octane price on the Rand

Landed cost	51,1c
Customs and Excise	4,0c
Equalisation Fund	1,3c
Fire protection	6,0c
Central Energy Fund synthetic fuel projects	3,725c
Oil pollution	0,055c
Strategic oil reserves	0,22c
National Road Fund	7,0c
Third party	2,0c
Transport to Reef	7,4c
Rounding off for price purposes	-0,5c
Nominal wholesale price	76,9c
Retail margin	5,2c
GST	9,9c
TOTAL	92,0c

Motorists Flock to Pick 'n Pay's Boksburg Garage

Motorists flocked to Boksburg Pick 'n Pay Hypermarket yesterday to buy the cheapest petrol in South Africa.

Pick 'n Pay garages throughout the country have started selling petrol at the reduced price although the company says it will have to buy at the higher price until Monday.




The Boksburg garage is also continuing to discount petrol by an additional 4 c a litre as they have been doing in the past,

making 93 octane only 88 c and 87 octane, 86 c.

Although some people were satisfied with the reduction in the price of petrol many thought it was not enough.

Mr Vivien Roberts, of Benoni, said: "It's good news but they should have brought the price down 30 c a litre."

Mr Alleric Willoughby said of the lower price: "The Government has to do something to compensate us for the high cost of living."

COST OF FILLING UP	WAS	NOW
SMALL CAR Tank capacity 45 litres	R45,90 	R41,40
MEDIUM CAR Tank capacity 60 litres	R61,20 	R55,20
LARGE CAR Tank capacity 75 litres	R76,50 	R69,00

'Motorist Pays Twice for Insurance'

Motorists have complained that they will pay twice for compulsory motor vehicle insurance in the next two months.

Callers to *The Star* yesterday said they had already bought third party cover under the old premium system until the end of April and would be paying extra in March and April every time they filled up at the pumps.

One of these was the Transvaal leader of the New Republic Party, Mr Martin Stephens, who said: "It seems that the public is being ripped off again and unnecessary inflation created by this substantial overpayment."

He asked that the Government explain why the

public should pay an additional premium for insurance cover that had already been paid.

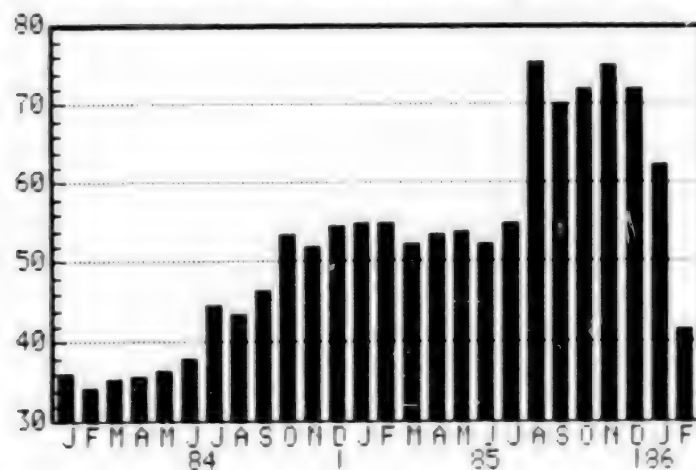
The Deputy Director-General of the Department of Transport, Mr Ronnie Meyer, could not be contacted for comment yesterday.

The Director-General of the Automobile Association, Mr Peter Elliott, agreed yesterday that there was "a slight overrecovery" but said the Motor Vehicle Assurance Fund was urgently in need of funds.

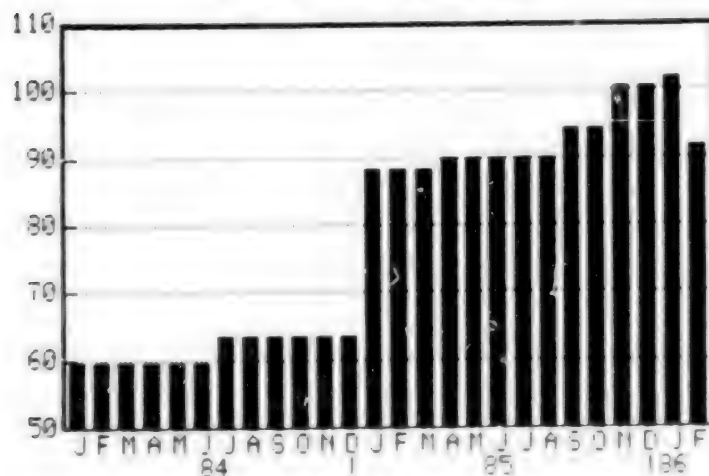
Mr Elliott said the third party premium should have been increased in May last year but was not because of the economic situation.

"The motorist therefore got a good deal and these complainants are quibbling unnecessarily."

OIL PRICE: SPOT - Saudi Light Crude



FUEL PRICE: 93 Octane



Aviation Gas Reduction Is Welcomed

The substantial decrease in the price of aviation fuel, which is not controlled, has been welcomed by the aviation industry.

Mr Cor Beek, executive director of the Commercial Aviation Association, said the drop in the wholesale price of aviation turbine fuel and aviation gasoline by 12.20c/litre and 23.60c/litre would restore confidence.

The industry was badly shaken in November by a price increase of 18 to 22c/litre, and

made representations to oil companies and Minister of Mineral and Energy Affairs Mr Danie Steyn to reduce it again.

"This is the type of decrease we were looking for," said Mr Beek.

The aviation fuel price drop was announced by BP Southern Africa chairman Mr I J Sims, who said it was made possible by the improvement in the rand dollar exchange rate and weakening crude oil prices.

Transvaal Bus Fares Remain Unchanged

Putco would decrease bus fares in Durban, but fares in the Transvaal would remain the same, a spokesman said yesterday.

He said Putco was to pass the benefits of the fuel price decrease to passengers in Durban only as fares had been increased in November fol-

lowing a fuel price increase at that time.

In the Transvaal, fares had not yet been increased to cover the increased fuel price in January.

Cape Town's City Tramways has no plans for a decrease in bus fares. — Sapa.

Two Petrol Firms Drop Prices of Oil Products

Two petrol companies are to drop the prices of petroleum products not regulated by the Government on Monday.

The BP Southern Africa chairman, Mr I J Sims, said BP had made the decision following the improvement in the rand dollar exchange rate and weakening crude oil prices.

And Mr Bernard Lafitte, managing director of Total, said the same factors which made it possible for the Government to decrease the price of petrol, diesel and illuminating paraffin, also applied to other petroleum products marketed by Total.

Mr Sims said this meant the prices of automotive (motor) oils would be reduced by

23.6c/litre, industrial oils by 24.6c/litre, grease by 19.6c/kg and LPG by 11.7c/litre.

Other affected products are HFF (fuel) oil which will drop by 8c/litre, Bitumen by 7c/kg, aviation turbine (jet) fuel by 12.2c/litre, aviation gasoline (avgas) by 23.6c/litre, power paraffin by 11.4c/litre, benzine by 22c/litre and white spirits by 15c/litre.

LACK OF FUNDS

Commenting on the petrol price decrease as well as the imposition of further levies, the director-general of the Automobile Association, Mr Peter Elliott, welcomed the additional 2c contribution to the National Road Fund as road

maintenance had been hampered by lack of funds.

He said the 2c levy to be applied for compulsory motor vehicle insurance was well beyond the immediate requirements of the MVA fund.

Assocom said in a statement a complete review of the structure of the petrol price and its components was needed following the imposition of levies for fuel depot security and for lowering the lead content.

It added that the State, now taking 40 percent of the petrol cost, would increase its takings by eight percent.

The statement said the reduced fuel prices would reduce inflation in the latter half of 1986. — Sapa.

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CSN: 3499/1135

SOUTH AFRICA

COAL, MAIZE EXPORTS WILL BOOST TRADE WITH TAIWAN

Johannesburg THE CITIZEN in English 28 Feb 86 p 25

[Article by Madden Cole]

[Text] COAL and maize exports from South Africa will do much to boost the country's two-way trade with Republic of China (Taiwan) which dropped substantially last year, says the South Africa-Republic of China Chamber of Economic Affairs chairman Allan Sealey.

"We expect that about 500 000 tons of maize will be exported this year to Taiwan, and as the drop in maize exports in recent years was largely responsible for the decrease in trade between the two countries, this should now improve."

Mr Sealey points out that opportunities exist for South African coal producers now that Taiwan has reduced its volume of coal mining after a series of mishaps in the industry.

Discussions are being held on the possibility of coal exports as well as increasing exports of minerals.

"Our Chamber generally is trying to identify as many opportunities as possible between the two countries and are putting exporters and importers in touch with each other to improve the two-way trade this year," Mr Sealey says.

Embassy of the Republic of China economic counsellor C C Kan told The Citizen that the drop in trade between Taiwan and South Africa amounted to about \$100-million last year.

"This figure represents about 22 percent of the total two-way trade which I feel dropped largely because of the weakening of the rand.

Mr Kan however is confident that trade will pick up this year and that total trade will exceed the 1984 figure of \$458 million.

"Shipping between the two countries is busier and the trade figures are already standing at \$355," Mr Kan says.

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CSO: 3400/1214

SOUTH AFRICA

BRIEFS

TRADE SURPLUS FIGURES--South Africa's trade surplus dipped markedly in January to R729,1m, according to figures released by the Department of Customs and Excise yesterday. The surplus was less than half of December's R1,56bn but 75% higher than the January 1985 surplus of R416,7m. Exports last month were higher at R3,58bn (R3,2bn), but the dent in the trade surplus was caused by a jump in imports to R2,85bn (R1,64bn). However, economists caution that not too much should be read into one month's figures. Despite the January decline, the current account of the balance of payments is expected to have a large surplus this year. The Reserve Bank predicts a current account surplus -- the trade surplus with services and interest payments subtracted -- of R4,6bn. Nedbank economist Ian McFarlane points to a number of favourable factors that will boost the surplus. Because of the low level of capacity utilisation in the economy, he says, import volumes are not likely to rise much in response to increased demand. Lower oil prices should also help contain the bill. "Although it is difficult to quantify the effect of boycotts and informal sanctions, prospects for exports look good," he says. Sapa reports that a breakdown of the world trading zones showed that Europe remained SA's largest trading partner last month. Exports to Europe totalled R869,4m, compared with R759,1m in the same period last year, while imports from Europe stood at R1,06bn (R933m). Asia was SA's second-largest export partner. [By John Tilston] [Text] [Johannesburg BUSINESS DAY in English 26 Feb 86 p 1] /12851

AHI PRAISES TRAINING OF UNEMPLOYED--The president of the Afrikaanse Handelsinstituut (AHI), Mr Donald Masson, yesterday described the recent joint project by the Department of Manpower and the private sector to train the unemployed as "a huge success". "Already over 150 contracts have been signed with the private sector for the training of the unemployed and to date over 100,000 unemployed people have been trained throughout the country," he said. Mr Masson said it had been estimated that this figure could rise to over 250,000 in the near future. "It is clear to the AHI that this project will greatly assist the orderly management of particularly Black labour potential and the normalising of the unrest situation. "The AHI urgently calls on the Government and the private sector to expand this extremely successful initiative into a national policy package to eliminate South Africa's present political and socio-economic problems," said Mr Masson. [Text] [Johannesburg THE CITIZEN in English 28 Feb 86 p 13] /12851

PUTCO CUTS BUS FARES IN DURBAN--PUTCO is to decrease bus fares in Durban, but fares in the Transvaal will remain the same, a spokesman for Putco said in a statement issued in Johannesburg yesterday. He said Putco was to pass the benefits of the fuel price decrease to passengers in Durban only as fares had been increased in November following a fuel price increase at that time. In the Transvaal, fares had not yet been increased to cover the increased fuel price in January. "This would no longer be necessary, but neither could fares be reduced. The cost to Putco of carrying the additional fuel costs since November 11 was nearly R1,5-million." The reduction in Durban fares would be passed on through reductions in the cost of season tickets. Cape Town's city tramways has no plans for a decrease in bus fares.--Sapa [T4xt] [Johannesburg THE CITIZEN in English 28 Feb 86 p 12] /9317

BUS SERVICES RATIONALIZED--Garankuwa--Bophuthatswana Transport Holding (BTH) and Putco have signed an agreement regarding the rationalisation of their services in Bophuthatswana and the areas north of Pretoria, BTH traffic manager Mr J. van Zyl said yesterday. Commuters in Garankuwa have been boycotting Putco services since last November--a move sparked off by an increase in fares which commuters said was unfair because they had not been consulted. During that period, a number of Putco buses were damaged. According to Mr Van Zyl, the agreement signed between the two companies would result in BTH taking all the Putco routes which originate in Bophuthatswana while Putco would take up the Sorhanguve services previously run by BTH and originating from South Africa. He said buses running to Pretoria would follow the same time-schedules except in places like Erasmus transit station where passengers will have to be transferred.--Sapa [Text] [Johannesburg THE CITIZEN in English 27 Feb 86 p 13] /9317

CLOTHING INDUSTRY DECLINING--The volume of clothing currently being manufactured in South Africa is no higher than that manufactured during 1979, with spending on clothing forecast to decrease further by some three percent during 1986. These facts were presented at a Press conference in Johannesburg yesterday by the president of the National Clothing Federation of South Africa, Mr Mike Getz. Mr Getz said that unless meaningful action was undertaken by the industry itself and by the Government, no growth, high unemployment and acute cost escalation would be the inevitable result. He said that although problems such as access to foreign markets, unemployment, low growth and current account deficits had already been identified in various official reports, there was some doubt as to the Government's resolve to implement the findings "in a bold and forceful manner." "I am referring particularly to the elimination of discrimination against labour intensive and low capital intensity industries," he said. [Text] [Johannesburg THE CITIZEN in English 27 Feb 86 p 13] /9317

MINERAL SALES FOR NOVEMBER DECLINE--Mineral sales for November fell by 11,8%, to R2,4bn, compared with R2,7bn in the previous month. Minerals Bureau figures show that total export sales declined by 11,5% to R2,1bn (R2,4bn). Local sales fell by 13,8% to R271,9m (R315,6m). Gold production

was marginally lower at 54,5 tons (54,6). Revenue at R1,5bn showed a drop of 18,6% compared with October. Diamonds fell by 40% in value, compared with the previous month, and by 74% against the September figure. Coal had a 16% drop in tonnage, resulting in a 12% loss of revenue at R153,7m (R174,8m). Export tonnage slipped 11% to 3,4-million tons (3,8-million), pulling income down by 10% to R278,7m (R308,7m). Copper had a 45% gain at R59,6m (R41m), mainly due to exports leaping to 11 868 tons (4 672), which more than doubled income to R36,6m (R15,1m). Tin staged a rally at R4,6m (R3m). [Text] [Johannesburg BUSINESS DAY in English 11 Feb 86 p 15] /9317

CSO: 3400/1195

SOUTH AFRICA

PROTOTYPE OF ATTACK HELICOPTER UNVEILED

MB080459 Johannesburg SAPA in English 0016 GMT 8 Mar 86

[Text] Johannesburg 8 March, SAPA--South Africa had designed and manufactured its own attack-helicopter.

The businesslike machine, the Alpha-Xhl, was unveiled to military correspondents at the Atlas Aircraft Corporation works, Kempton Park, this month.

The prototype has been extensively tested and is still undergoing tests.

Although some technical details have been revealed, little is known about its operational capabilities, performance, range or unit-costs.

Lieutenant General Dennis Earp, chief of the Air Force, and high-ranking Atlas officials introduced the new aircraft and replied to questions at the unveiling.

The public will soon be able to view the helicopter at the "Aviation Africa 86" exhibition at Rand Airport which opens on 19 March.

The development of the new weapon was announced officially in a statement by the minister of defence, General Magnus Malan, issued at the unveiling ceremony.

"With reference to previous statement concerning South Africa's technological ability to manufacture aircraft locally, it is with pleasure that I announce a breakthrough in the field of locally manufactured helicopters," he said.

"This achievement is another indication that South Africa has remained at the forefront of the fast-growing armament technology.

Since the imposition of the arms embargo, ARMSCOR [Armaments Development and Production Corporation] and the SA Air Force had worked together closely, resulting in rapid growth of technological advancement by both organisations.
[quotation marks as received]

"Components and castings of high quality are being manufactured locally. This is an indication of the broadening of South Africa's aviation-based technology, as well as the country's ability to be self-sufficient in respect of armaments."

The technology-base had been broadened to include design and evaluation of airframes, sub-systems and flight-control systems.

"Continuing evaluation programmes, analysis and studies will ensure that South Africa remains capable of providing in its armament needs," Gen Malan said.

Gen Earp said the feasibility study of locally-made helicopters was experimental, utilising "certain existing and many locally developed and/or manufactured parts.

"The experimental tandem helicopter, Alphy-Xhl, embodies a completely locally-developed airframe and system-fit. It has a helmet-sighted underslug turret gun."

Its engine, gearbox and rotor system contained many locally manufactured components.

"The Alpha-Xhl and its turret gun system have both been successfully tested to meet the specifications laid down as part of ARMSCOR's technology enhancement programme," Gen Earp said.

Further feasibility studies would be conducted on the current design. The new design-ability and capabilities to investigate a wide range of airframes, engines and weapon-systems would be utilised to continually expand the country's self-sufficiency.

"Some of these systems will be tested on other helicopters of the SAAF in future," he said.

The helicopter would be seen by the public the first time at the "Aviation Africa 86" exhibition, he said.

In a background-sheet handed to reporters, the following came to light:

--The results of various helicopter feasibility studies had indicated that the South African helicopter technology-base should be extended and strengthened. A number of areas were defined on which to initially concentrate.

--It was, in liaison with the SAAF, agreed that the design and manufacture of a light attack-helicopter would be the best vehicle to strengthen the local technology-base.

--The contract for the design and manufacturing of such a helicopter was signed in March 1981 and on 24 February 1984 the helicopter was shown to a selected defence audience.

--The first successful flight took place on 3 February last year.

--As a result of test-flight reports a number of modifications are being incorporated in the helicopter before any further flights take place.

--Further test-flight are envisaged and the prototype will be used in an evaluation programme, further requirement studies and the development of local technology.

--Feasibility studies and the evaluation of locally manufactured sub-systems will also be carried out on other helicopters.

The Alpha-Xhl is a two-seater tandem. The weapons-operator sits in front with the pilot in the rear seat, but slightly elevated.

The prototype shown to the press was a stationary display in a hangar. Its flying capabilities were not demonstrated.

It is certainly not as attractive as modern commercial helicopters and doesn't look anything like Airwolf, but it has a businesslike look about it that spells "war machine," which is its primary function.

The nose, in orange, is rather bulbous, but the fuselage in camouflage, tapers off elegantly to the rear.

The cockpit is encased in perspex canopies, one for the pilot and one for the gunner in front.

It can be controlled from the front as well as from the rear, but instrumentation and controls are much more abundant in the rear.

Its capabilities in a war-situation were not revealed, but it is a simple deduction that, in an emergency, a gunner with basic flying training will be able to land the aircraft.

Being a prototype, the new helicopter is still in the hands of Atlas Aircraft Corporation has not been handed over to the SAAF. There is no indication of when it will go into production or even if the current model as such will be manufactured.

Asked when the Alfa was to be commissioned in the SAAF, Gen Earp said he could not say, explaining that it took about 6 years to develop an aircraft from the design-stage to the actual time when the first model runs off the production-line.

He emphasised that the Alpha was an experimental model.

"The SAAF has not yet necessarily decided on this particular model."

Asked whether there had been overseas cooperation on the development of the aircraft, especially in view of earlier news reports about involvement by the French aircraft manufacturer Aero Spatiale the general manager of ARMSCOR aircraft division, Mr Roy Spring said:

"We have made it very clear that the helicopter has been designed, developed, and manufactured in South Africa.

We have contact from time to time with people from overseas and we are certainly not in a position to comment on the Aero Spatiale suggestions, made a moment ago," Mr Spring said.

"ARMSCOR is an aircraft designer and made use of certain existing components. We do not claim to have invented the wheel and there are certain existing components that have been used in this helicopter, but we have the capability to manufacture those components in South Africa."

Replying to questions, Mr Spring said there were no plans at present to develop a commercial version.

Gen Earp intimated that there might be other South African aircraft developments in the pipeline.

"We are not planning to sit back and do nothing," the general said.

The following official specifications were released:

Its front section is made of metal semi-monocoque with composite material components, the centre is welded piping and the rear metal monocoque with composite material components.

The helicopter is equipped with a gas-turbine engine and a non-retractable tail wheel undercarriage.

Its empty mass is 1400 kg and maximum take-off mass 2000 kg. It is equipped with general instrumentation.

Its armament consists of a 1 X 20mm Gai servo-controlled cannon, mounted under the fuselage with a helmet-mounted sight.

The cannon had the following field of movement:

- Elevation: plus 10 degrees to minus 60 degrees
- Azimuth: plus 120 degrees to minus 120 degrees
- Number of rounds: 1,100
- Rate of fire: 600 rounds a minute

Its name is derived from the following:

- Alpha--For the A in attack
- X--experimental
- H--helicopter
- 1--first series

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CSO: 3400/1250

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